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Bankers' Gazette and Railway Monitor
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THE MONEY MARKET.

FOR reasons explained elsewhere, the market's anticipations of a comparatively easy end to the half-year were rudely disappointed, and on Friday and Saturday of last week large sums had to be borrowed at the Bank for periods running up to eleven or twelve days. On Monday the clearing banks released the funds they had

called from the market over that end of the half-year, and although repayments to the Bank began to be made on the same day, the bulk of the loans remained outstanding, with the result that money has been extremely plentiful all the week. New money has been borrowed at as low as 2 per cent., and rates are likely to remain low until the Bank has been completely repaid.

A certain amount of money was borrowed from London for employment in New York, as the result of the high call rates ruling in that centre, and this caused some weakness in the New York Exchange. The discount market, however, was more influenced by the cheapness of money in London, and three months' Bank bills were quoted down to $3\frac{1}{8}$ per cent.

	July 5, 1928.	June 28, 1928.	June 21, 1928.	June 14, 1928.	Previous Rate and Date Changed.
Bank Rate	4 $\frac{1}{2}$ %	4 $\frac{1}{2}$ %	4 $\frac{1}{2}$ %	4 $\frac{1}{2}$ %	5 (Apr. 21, '27)
Banks' Deposit Rate	2 $\frac{1}{2}$ %	2 $\frac{1}{2}$ %	2 $\frac{1}{2}$ %	2 $\frac{1}{2}$ %	3 (Apr. 21, '27)
Discount/Call	2 $\frac{1}{2}$ %	2 $\frac{1}{2}$ %	2 $\frac{1}{2}$ %	2 $\frac{1}{2}$ %	3 (Apr. 21, '27)
Houses (Notice)	2 $\frac{1}{2}$ %	2 $\frac{1}{2}$ %	2 $\frac{1}{2}$ %	2 $\frac{1}{2}$ %	3 $\frac{1}{2}$ (Apr. 21, '27)
Market rate (3 months' bills)	$3\frac{1}{8}$ %	$3\frac{1}{8}$ %	$3\frac{1}{8}$ %	$3\frac{1}{8}$ %	..

The Bank Return shows an increase in stock of coin and bullion of £1,141,100. Circulation is higher by £910,400 and Reserve by £230,700. The proportion of reserve to liabilities is $4\frac{1}{2}$ per cent. lower at $38\frac{1}{2}$ per cent. Public deposits are £4,186,600 lower, while Other deposits are £21,236,400 higher. Government securities are £201,000 lower and Other securities are £18,872,800 higher than a week ago. Currency notes were increased by £4,127,000 to £300,156,600, which includes £1,252,500 for notes called in but not yet cancelled. The fiduciary issue is £242,654,100, or £2,281,000 below the maximum for 1928.

The National Bank of Belgium reduced its rate of discount from $4\frac{1}{2}$ per cent. to 4 per cent. on June 30th.

NEW YORK MARKETS.

Our New York correspondent cables:—The past two weeks' recovery in the share market is reflected in a large rise in brokers' loans after a drop of \$400,000,000. Call money is easy again after touching 10 per cent., the highest rate for seven years, on stringency caused by end-of-the-month settlements, the withdrawal of funds from the call market by corporations for dividend and interest payments, and the July 4th holiday demand for currency. These conditions are reflected in the Federal Reserve statement, which shows a sharp rise of \$160,000,000 in borrowings by member banks. Slight change occurred in Reserve holdings of Government securities, the System having failed to follow its usual custom to temper the month-end stringency. The monetary outlook is still uncertain, but it is believed that the peak of interest rates has been passed. Industry is holding up well, and an improvement is expected in the autumn.

THE STOCK MARKETS.

The tragic death of Captain Lowenstein, news of which was available before business opened on Thursday, caused considerable confusion in a number of the more speculative markets, which had previously been quiet under the influence of Continental selling and high money rates in New York. Sweeping declines took place in International Holding and Hydro-Electric shares, and other active counters became reactionary. Gilt-edged stocks were firm as a whole, but home rails were depressed. Rubber shares continued to attract no interest, and Kaffirs were dull on South African selling. Of the week's new issues, the Royal Mail offer of £2,000,000 debentures was largely over-subscribed, while the lists of, *inter alia*, Massey's Burnley Brewery, Scottish Amalgamated Silks, and Cavendish House were early closed. The underwriters of the East London loan were called upon to take up 89 per cent.

THE COMMODITY MARKETS.

Very little change has been recorded in the markets during the past week, the position being, if anything, slightly weaker. Wheat is firmer, partly under the influence of Russian buying. Coal remains depressed, with prices unchanged. Demand for iron and steel is of small dimensions. Several good engineering contracts, how-

ever, have been booked in Glasgow within the past week. On the London metal market tin was weaker, copper quiet, but lead received a fair amount of support. The Manchester cotton position has not benefited from the rise in prices recorded last week. Activity in the wool market is restricted, and traders are awaiting the sales which take place in London next week.

FOREIGN EXCHANGES.

The foreign exchange market was very quiet during the past week, this being partly due to holidays in America and India. The principal features were the widish fluctuations of the franc and the fresh weakness of sterling against the dollar, owing to still higher money rates in New York. The dollar opened at 4.87 $\frac{1}{2}$, but declined to 4.87 $\frac{3}{8}$ on Thursday, after touching 4.87 15-32 on the 4th, when the New York market was closed. Forward dollars were rather more offered at wider discounts of $\frac{3}{16}$ cent and $\frac{5}{16}$ cent. for one and three months respectively. Montreal moved from 4.88 $\frac{1}{16}$ to 4.88 $\frac{1}{2}$. Forward quotations, however, remained unchanged. Paris opened at 124.21 $\frac{1}{2}$, improved to 124.13, went back to 124.21 on the 3rd, and was worse on Thursday at 124.30. Forward francs were quoted at premiums of 8 centimes and 20 centimes for the two periods, as against par last week. Brussels was featureless and unchanged, both spot and forward. The lira suffered a slight setback from 92.75 to 92.78, and whilst the discount for one month's delivery remained unchanged, that for three months widened from 8 to 10 centesimi. The peseta was steadier again at 29.52, forwards being unchanged. The escudo was fractionally weaker at 108. Of the gold exchanges the majority again went against this country, Amsterdam from 12.10 $\frac{3}{4}$ to 12.09 $\frac{3}{4}$, Stockholm from 18.17 $\frac{1}{4}$ to 18.16 $\frac{1}{2}$, Geneva from 25.29 $\frac{1}{2}$ to 25.28 $\frac{3}{4}$, and Oslo from 18.22 to 18.21 $\frac{1}{2}$. Berlin alone moved in our favour, from 20.40 $\frac{1}{4}$ to 20.41 $\frac{1}{4}$. Forward guilders were less sought after at rather wider discounts of $\frac{1}{2}$ cent and 1 cent for the two periods, whilst the quotations for forward reichsmarks were little changed at discounts of 3 and 7 pfennigs. Of the other European exchanges, Copenhagen improved from 18.20 $\frac{3}{4}$ to 18.20, but Helsingfors was unchanged at 193 $\frac{1}{2}$. Among the South American exchanges, Buenos Aires was weaker at 47 15-32d, and the premium for 90 days Lima on London again declined by $\frac{1}{2}$ per cent. to 19 $\frac{1}{2}$ per cent. In the Far East the rupee was fractionally better at 1s 5 29-32d, but the yen was weaker at 1s 10 $\frac{1}{8}$ d. Batavia improved to 12.11 $\frac{1}{2}$. The silver market was very quiet with holidays in China, India, and America, and prices were weaker in the absence of support. Spot fell by $\frac{1}{8}$ d and forward by $\frac{1}{16}$ d, to 27 $\frac{5}{16}$ d and 27 $\frac{1}{16}$ d respectively. The Hongkong exchange remained unchanged at 2s 0 $\frac{3}{4}$ d, but Shanghai fell away by $\frac{3}{8}$ d to 2s 8 $\frac{1}{4}$ d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended June 30, 1928:—

EXPENDITURE.		(000's omitted.)	
Supply Services	10,048	From Revenue	£ 6,814
Interest, &c., on Debt	1,935	Decrease in Balances	47
Sinking Fund	636	Increase in Debt	6,839
Sundries	1,021		
	13,700		13,700

The ordinary revenue for the week amounted to £6,813,900, as compared with £8,727,700 in the corresponding week last year. Property and Income-tax brought in £1,612,000, as against £1,830,000, and Super-tax £330,000, as against £220,000. Customs were higher at £1,806,000, against £979,000, and Excise at £825,000, against £616,000. Ordinary receipts at £130,200 were £245,200 lower, and Special Receipts at £700 were £1,920,000 lower. The week's operations increased the National Debt by £6,839,200, and caused the following changes:—

(000's omitted.)	
Telegraph Money	+ 2,133
Treasury Bills	+ 606
Bank of England Advances	+ 250
Public Department Advances	+ 3,803
National Savings Certificates	+ 50
	+ 6,839

The floating debt was increased by £4,660,000 to £753,805,000.

FINANCIAL YEAR, 1928-29, April 1 to June 30, 1928.

£		Revenue	
Expenditure	208,345,984	128,543,453	
		Amount borrowed ..	76,023,127
		Decrease in balances ..	3,779,404
	208,345,984	Total	208,345,984
ESTIMATES (New Basis), 1928-29.			
£		Revenue	
Expenditure	676,581,000	*756,083,000	
Sinking Fund	65,000,000		
Surplus	14,502,000		
	756,083,000		756,083,000

* Includes £13,200,000 from Currency Notes Assets.

SELF-BALANCING REVENUE AND EXPENDITURE.

£	
Post Office	57,314,000
Road Fund	21,300,000
	78,614,000

The surplus of £4,239,000 for 1927-28 is carried forward.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Imperial Bank of Persia, Bank of Roumania, Anglo-Argentine Tramways, Parent Trust and Finance, General Electric, Aramayo Mines in Bolivia, Nirmala (Java) Plantations and Lands, Telogoredjo United Plantations, Twyford's, Amalgamated Dental, Akim, Ohlsson's Cape Breweries, and Spiers and Pond. At the Imperial Bank of Persia meeting Sir Hugh Barnes discussed Persian trade and the new Anglo-Persian treaty. The chairman of Twyford's, Mr J. T. Webster, complained of Continental competition, but had good results to report. The General Electric meeting is referred to in a note in our Stock Exchange section.

The attention of our readers is drawn to a rearrangement of the matter appearing in THE ECONOMIST. Articles and notes of the week dealing with investment topics and company reports, a review of the markets, latest quotations of active securities, comments on new issues, and other news of special interest to investors have been grouped together under the general heading of "The Stock Exchange." This section commences in the present issue on page 23.

TOWARDS INDUSTRIAL PEACE.

In 1926 the organised armies of Capital and Labour in this country fought the greatest of their battles, only to find that after wasting their own resources, handing over our foreign markets to competitors, reducing the national production by some 15 per cent., and impoverishing the Exchequer they had accomplished—nothing. In 1927, though there was much talk of the need of a more rational theory and practice in industrial relations, there was little more than manoeuvring for position. In 1928 it looks as though the parties are really coming to grips with the problem of working together.

Early this year the ground was very fully surveyed in the Report of the Liberal Industrial Inquiry, and since January the Mond Conference of employers and employed have been getting to work on a very lengthy agenda of subjects, ranging from machinery of organisation in the factory, the industry, or the nation, to the problems of unemployment and the distribution of wealth. The Conference has, however, wisely decided not to wait until its labours are completed before bringing forward its suggestions, but to make its proposals as soon as they are agreed upon. The first interim report, which the committee of the Conference presented to the plenary meeting on Thursday, after setting out its methods of work and the detailed agenda, contains agreed statements on trade union recognition, on victimisation, on the gold standard—a matter which was regarded as a matter of urgency in view of the decision of the Government to amalgamate the currency and Bank of England notes—on the institution of a National Industrial Council and machinery for conciliation in trade disputes; and on Rationalisation.

The position of the first two topics at the head of the bill of fare is, naturally, explained by the anxiety of the

unions to reassert their position after their rebuff at the general strike. To foreign observers who have reached the conclusion—not altogether without some reason—that the policy of the trade unions of this country has been one of the reasons for the slow recovery of Great Britain, it may seem surprising that the employers' representatives should associate themselves with the statements of this Report. But every employer in this country knows that the trade unions have become an integral part of the life of the nation. The outlook and policy of the unions may be influenced by employers. They cannot be crushed by them. Moreover, there are two sides to trade union history. The schoolboy who reads only about battles in his history book learns nothing of the real life of nations. Similarly, those who only read of strikes will be surprised to learn that, in the opinion of the Conference, the organisation by industry itself of the machinery of industrial peace has gone farther than in any other country. The joint report not only considers that the unions should be recognised as "the appropriate and established machinery for the discussion and negotiation of all questions of working conditions," but considers that negotiations are facilitated if workmen are members of their trade union. In other words, the attitude of employers has shifted from the opposition of the nineteenth century, through the phase of toleration of the last twenty years, to that of encouragement. As to the complaints that have been made of victimisation, the report makes the far-reaching suggestion that some appeal machinery should be provided for the investigation and review of cases where it is alleged that a workman has been dismissed or otherwise penalised for his membership of a trade union or activities in connection therewith. This suggestion is getting very near the problem of "dismissal" which is dealt with in the Liberal Industrial Report, and is the subject of legislation in Germany. Opinion is undoubtedly moving in the direction of recognising the need of protecting the worker against arbitrary dismissal. Though fluidity of labour is one of the first essentials of a progressive nation, the status and security of the individual employee are matters of vital importance to him, and his contribution to the economic entity in which he may have spent years of his life is one which has not yet been fully appreciated. This is a much wider question than that of victimisation, and it will be interesting to see what the Conference will ultimately have to say about it.

The most important part of this report, however, is that which deals with a National Industrial Council and joint bodies for conciliation. The Conference recommends that a Council should be set up consisting of the General Council of the Trade Union Congress and an equal number of employers nominated by the Federation of British Industries and the National Confederation of Employers' Associations. The three main functions of the National Council should be:—

To hold regular meetings once a quarter for general consultation on the widest questions concerning industry and industrial progress.

To establish a Standing Joint Committee for the appointment of Joint Conciliation Boards as set out in detail in the agreed resolution on the prevention of disputes.

To establish and direct machinery for continuous investigations into industrial problems.

In suggesting that the Council should set up Boards of Conciliation, the Conference starts from the doctrine that industry as a whole should accept a greater share of the responsibility for the avoidance of stoppages of work. These Conciliation Boards are not to be forced on unwilling industries, but should be available, in the event of dispute, on the request of either party, to investigate and report. It is desirable—though of course no compulsion can be used—that both sides should agree that, on an application being made, no stoppage should occur pending the report of the board.

In our recent history the T.U.C. has on occasion successfully filled the rôle of conciliator, while the Ministry of Labour is constantly on the watch to prevent disputes and has the power to carry out an inquiry—though not to suspend a strike or lock-out. But the institution of a permanent organisation representative of both sides of

industry would be a new departure. The scheme will, however, need to be carefully considered from the point of view of preventing overlapping with existing machinery.

The constitution of the proposed National Council differs from that suggested by the Conference of 1919 and from the various models in different countries. Now it may be said to have an entirely illogical constitution. The Labour side will not be elaborately representative of all workers, but only of the organised trade unions, whose membership often bears no relation to the total engaged in a trade. The Federation of British Industries is a voluntary organisation whose membership is partly individual and partly representative of organised groups, while that of the Confederation of Employers' Organisations is by no means all-embracing. For these reasons there may be complaints of its unrepresentative character. Moreover, the scheme makes no provision for the representations of consumers or of the State. In fact, a paper-constitution builder would be overwhelmed at its theoretical imperfections. But it has the supreme merit of being an indigenous growth. If there is real determination on both sides to seek peace and a rational basis of co-operation, these objections would be of minor importance compared with the great advantage of a permanent organisation whose purpose is to oil the wheels and avoid troubles by discussing their root causes in advance. The employer members of the Conference, who speak with their individual authority only, have yet to refer the proposals to the Federation of British Industries and the Confederation of Employers' Associations. The latter body has not always been very ready to move in the direction of agreement and accommodation. But it would be a very grave responsibility to put any obstruction in the way of so promising an experiment.

THE AMERICAN PRESIDENTIAL CONTEST.

THE nomination of Governor Smith of New York as the Democratic candidate for the Presidency of the United States, following Mr Hoover's nomination by the Republicans (see *Economist*, June 23rd, page 1273), brings up a number of questions involving the outcome in November which no one can answer as yet. Will those who want no change win and Mr Hoover reside in the White House, or are the discontented elements sufficiently numerous to cause the inauguration of Mr Smith? This periodic swing of the pendulum is always one of the leading factors in elections in any country. Will it be the dominating question in the argument, Hoover *versus* Smith? Is prohibition a real issue, or is it just a question of the degree of enforcement? Is the anti-Catholic vote to be the decisive or only a contributing factor? Above all else, is this election to be the beginning of a new era, a new alignment in American politics?

Americans over here, when they read of the nominations, generally seem to expect, as their first impression, that Mr Hoover will win easily, but on second thoughts many of them are not so sure; they seem to be veering towards the idea that it will be a hard fight, with Mr Hoover still the winner by a narrow margin. In 1916, when President Wilson was seeking re-election against Mr Hughes, it was realised that the issue in question—"he kept us out of war"—might have a sufficient appeal to the electorate to give the President a slight majority, and later events proved this to be the case. The majority of the electorate, however, is normally Republican, and most of the twentieth-century Presidents have been Republicans. Therefore the simple reasoning of the election forecaster that, unless there is an upheaval of the electorate again on some question of wide popular appeal, the Republicans will continue to poll a majority and Mr Hoover will be elected.

Then what do these American visitors see on second thoughts which makes them less sure of this outcome? It is not lack of prosperity, for the Republicans have claimed prosperity as the result of their administration of the nation's affairs; not that one political machine will prove to be more efficient than the other; surely, it can't be the freer use of wines which might follow a Democratic

success; nor can the prospect of a Catholic chief executive be the reason for their revised opinion of the possible outcome of this gigantic struggle. Rather it seems to be their recollection of the extraordinary power of personal appeal which this man "Al" Smith, as he is popularly known, has to the under-dog—a power the lack of which, apparently, is his opponent's only important political weakness.

His rise to power has come about through his political astuteness in New York City, where he was the guiding spirit of that extraordinary organisation known as Tammany Hall, the Democratic machine which controls the American big city's affairs. Since 1919, except for a gap of two years, he has been Governor of the State. In this capacity he has shown ability and a breadth of view which marked him plainly, in the Democratic preliminaries to the Presidential nomination four years ago, as a man of national standing. He was defeated for the Presidential nomination in 1924 only because of the opposition of the faction headed by William G. McAdoo, Secretary of the Treasury in the Wilson Cabinet.

The Governor of New York State is always a likely candidate for the Presidency, on account of the fact that New York has such a large population, and it is of such great importance that a nominee should have a good chance of polling the majority vote there. Mr Smith has held his gubernatorial seat in the New York State capital sometimes by rather small majorities, throughout most of the past two Presidential terms, even though the opposition party has carried the State vote for Presidency by two to one majorities.

Governor Smith will speak from one end of the country to the other; a campaigner, it is said, with few equals, who talks to the "man in the street" and "the woman in her kitchen" in their own language. To one large group of citizens he is recognised as "one of them," one of those whose parents came from Europe—Ireland, to be precise in Mr Smith's case—so he will have a special hearing from the immigrant population; and it should not be forgotten that nearly one-third of the population of the United States is composed of those who once were immigrants themselves or whose parents—one or both—were foreign-born. Again, these same characteristics would qualify him to speak with special effect to the unemployed.

There is also the enigma of the farm vote. What will the farmers do with their votes? Do they want a change enough to try out the offer of aid which the indefatigable New Yorker will shortly be placing before them in person? The farmers' conservatism is proverbial, and it is certain that the mid-west farmer is expected by the Republican Party leaders to vote Republican as in the past. How significant it is that, in spite of the fact that the political centre of gravity now rests beyond the Mississippi river, neither of the two parties has brought out a farmers' candidate—significant of the rapid industrialisation of America and the dwindling proportion of the rural minority which has dropped from the leading position of over one-half of the population, at the end of the last century, to one-third of the total to-day.

So the 1928 presidential campaign, at first glance, appears to be mainly a battle between two strong men, self-made men, each a type admired greatly in the States: the one strong, silent, the other the hail-fellow-well-met, the "glad-hander," as his own countrymen describe him. The one represents the old Nordic dominance, while the other is more of the order of some of our Labour Party leaders, thrown up by the new-felt powers of a large body of the electorate only recently politically articulate.

Whatever the issue of the campaign, it will be settled by the selection of one or the other of these two men after a large body of citizens have given full play to their reasoning powers, their prejudices and predilections, and that in the discussions of domestic issues. The war, of course, was the catastrophic event which dominated all politics in 1916 even in the American election of that year; but foreign affairs will not play an important part in this contest.

If the Democrats should win, the revision of the tariff downwards might take place in a few schedules, but no general change should be expected, so solidly is the tariff idea grounded in the popular thought; and then again,

the Democratic States of the south, traditionally Free Trade in sentiment, have now developed great manufacturing industries of their own, which are strongly Protectionist. The women of the nation are said to be largely responsible for the "no-more-war" movement, which has supported Mr Kellogg's recent peace treaty proposals. Either party is sure to support this programme fully.

In so far as these early soundings of the course of American politics during the next critical months are at all accurate, American participation in world affairs should be more wisely advanced during the next four years under the guidance of a Hoover administration than under one headed by Mr Smith, judging by Mr Hoover's record, which indicates that he of all the Presidential candidates who have ever sought the suffrages of the American people, is the one best grounded in a first-hand knowledge of conditions abroad. Whereas, though but little is available to provide an opinion of Mr. Smith's international views, his constituents are very likely to be those who went to America to leave behind them a Europe of—to their eyes—irremediable corruption. In this and other aspects of American politics Europe is profoundly interested.

THE MONETARY HALF-YEAR.

THE past six months have definitely marked a new phase in post-war monetary history, in that London has ceased to be dependent upon the course of events in New York. Such a statement, of course, must not be interpreted too literally, for no single centre can ever be entirely independent of another. What is meant by it is that whereas during the years 1919 to 1927 a rise in New York money rates usually forced a similar rise in London, this year two increases have occurred in New York without witnessing an increase in London. Bank rate here has remained unchanged, and discount rates have steadily fallen.

January opened with the usual plethora of credit that follows the turn of the year, and with the market rate on three months' bills at the level of $4\frac{1}{2}$ per cent., which had been unofficially agreed upon between the market and the Bank a few months before. Before more than a fortnight had elapsed this arrangement broke down, and, partly under the pressure of foreign purchases of bills, market rate fell by the end of the month to $4\frac{1}{4}$ per cent. A slight recovery was registered the following week on the rise in the New York discount rate from $3\frac{1}{2}$ to 4 per cent., but this upward movement was barely $\frac{1}{8}$ per cent., and its insignificance was the first sign that London was becoming independent of New York.

The next two months were, as usual, largely under the shadow of the Treasury. The steady inflow of revenue maintained a fair degree of stringency, which was only partially relieved by the fact that some of the tax money returned to the market in the form of Treasury bill redemption. Once or twice the market was driven into the Bank, and demand for bills was generally quiet and inactive. Market rate remained at its new level of $4\frac{1}{4}$ per cent, varying from week to week $\frac{1}{8}$ per cent. on either side, and the only bills that were much in request were, as usual, those maturing at the end of June.

April saw the beginning of the new financial year, accompanied this time by a large turnover in funds. The following week came Easter, with its customary increase in the note circulation. To replace these withdrawals the banks had to call heavily from the market, which in turn had to borrow heavily from the Bank. This period of strain proved only a short one, and with the return of the notes from the public easy conditions prevailed once more, with market rate quoted at 4 per cent.

Meanwhile, gold had been entering the country. In January £3.5 millions were gained by the Bank, in February £1.4 millions, in March none, and in April £3.5

millions, making £8.4 millions in all. This gold the Bank had kept in hand, without letting it become a basis for fresh credit, and its "proportion" had risen during those four months from 24 to 39 per cent. Thus while this new gold was of no direct assistance to the market—for the Bank did not let it become so—it was undoubtedly a psychological help, for the market knew that if need arose the Bank was well equipped to meet a sustained pressure upon it without having to take immediate precautionary measures. To put this line of thought in a more definite form, in early May the market knew that even if the New York rediscount rate went from 4 to $4\frac{1}{2}$ per cent., the Bank of England would be well able to maintain its rate of $4\frac{1}{2}$ per cent., or the same level as in the preceding year.

This, in fact, is what actually happened. The New York rate was raised to $4\frac{1}{2}$ per cent. on May 17th, but market rate in London had already fallen to $3\frac{1}{4}$ per cent., and the increase in New York had no more effect in London than to make the upper limits of this range the operating rate for the week succeeding the increase, while by the time a fortnight had elapsed the rate of $3\frac{1}{4}$ per cent. once more obtained. The independence of London from New York was thus confirmed.

Early June witnessed one of the most curious events of recent financial history. This was a sudden inrush of gold into London from New York. Between May 30th and June 20th no less a sum than £8.8 millions was acquired by the Bank, most of which came from New York. Now, New York money rates were at least on a level with those in London, and in some respects were higher. Call rate in New York had in particular ruled as high as 6 per cent. and more. Also, the New York exchange at around \$4.88 was, it is true, in favour of London, but was still well below the import gold point. Hence it was clear that these gold arrivals were the fruits of some special operations, and inasmuch as much of this gold was imported by the Midland Bank and lodged by them at the Bank of England, the market was not slow to draw its own conclusions.

This episode was discussed in the *Economist* of June 9th, and there is no reason to refer to it again in any detail. Suffice it to add that while for a week the market anticipated that it would cause a reduction in Bank rate, no such change actually occurred. Money remained easy and market rate fell for a few days to $3\frac{1}{4}$ per cent. As the month progressed, however, the turn of the half-year became imminent, and the Bank kept the position in hand right up to the end of the month. June ended with unusually heavy borrowings from the Bank, due to reasons discussed elsewhere.

The only other event of major importance during June was the legal stabilisation of the franc. It says much for the preparations that had been made beforehand that this step had no effect whatsoever upon the money market.

The following table shows the daily averages for discount rates and money rates during the first half of this year and of the previous four years:—

DAILY AVERAGE FOR FIRST HALF-YEAR.

	1924.	1925.	1926.	1927.	1928.
Bank rate	£ s d 4 0 0	£ s d 4 12 0	£ s d 5 0 0	£ s d 4 16 0	£ s d 4 10 0
Market rate (3 months)	3 7 6	4 4 0	4 9 6	4 3 3	4 1 0
Margin	0 12 6	0 8 0	0 10 6	0 12 9	0 9 0
Short loans	£ s d 2 9 10	£ s d 3 9 8	£ s d 4 1 2	£ s d 3 17 6	£ s d 3 13 0
Deposit rate (banks) ..	2 0 0	2 12 0	3 0 0	2 16 0	2 10 0
Margin	0 9 10	0 17 8	1 1 2	1 1 6	1 3 0

At the beginning of 1928 the margin between market rate and that charged on short loans (weekly fixtures) was $\frac{1}{8}$ per cent. By the end of June, just prior to the half-year stringency, it had fallen to about $\frac{3}{8}$ per cent. It followed that while the fall in market rate gave brokers a useful turn on bills they had bought earlier in the year, their margin of profit on bills bought in May and June was correspondingly less.

The position of the floating debt at the beginning and on June 23, 1928, and at the end of the financial year was as follows:—

FLOATING DEBT.

	December 31, 1927.	March 31, 1928.	June 30, 1928.
Bank of England advances ..	£ 20,000,000	None	£ 250,000
Public Department advances ..	154,250,000	161,850,000	172,900,000
Treasury Bills	650,750,000	526,940,000	580,655,000
	825,010,000	638,790,000	753,805,000

The following changes in overseas Bank rates have taken place during the first half of 1928:—

Date.		%	%
1928.			
Jan. 2	Estonian Bank rate	reduced from 8 to 7 1/2	54
9	South African Reserve Bank ..	reduced from 6 to 5 1/2	54
19	French Bank rate	reduced from 6 1/2 to 6	54
27	Austrian Bank rate	reduced from 5 1/2 to 5	6
Feb. 2	Norwegian Bank rate	reduced from 5 1/2 to 5	6
19	New York Federal Reserve Bank rate ..	reduced from 5 1/2 to 5	6
27	Italian Bank rate	reduced from 7 to 6 1/2	6
Mar. 4	Norwegian Bank rate	reduced from 5 1/2 to 5	6
26	Latvian Bank rate	reduced from 5 1/2 to 5	6
April 1	Swedish Bank rate	reduced from 5 1/2 to 5	6
17	New York Federal Reserve Bank rate ..	reduced from 5 1/2 to 5	6
May 17	Indian Bank rate	reduced from 6 to 5 1/2	54
June 21	Italian Bank rate	reduced from 6 1/2 to 6	54
June 25	Belgian Bank rate	reduced from 4 1/2 to 4	4

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

Centre.	Method of Quoting.	Par Level.	Rate, Jan. 30, 1927.	Rate, Dec. 30, 1927.	Rate, Jan. 30, 1928.
Paris	Francs to £1	124.21	123.95-124.05	124.124	124.10-16
Berlin	Marks to £1	20.43	20.482	20.454	20.407
Vienna	Schillings to £1	34.584	34.52	34.554	34.614
Amsterdam	Florins to £1	12.107	12.124	12.074	12.104
Copenhagen	Kroner to £1	18.159	18.17	18.204	18.194
Rome	Lire to £1	92.46	87.28-88.4	92.2	92.724
Switzerland	Francs to £1	25.224	25.22	25.214	25.234
Madrid	Pesetas to £1	25.224	28.39	28.33	31.54
Lisbon	Escudos to £1	4.80	24.54	4.854	1074.1094
New York	Dollars to £1	47.98	48.4	47.98	47.98
Buenos Aires	Pesos to £1	18	51.6	51.6	51.6
Rio de Janeiro	Pesos to £1	51	424	51.6	504
Montevideo	Pesos to £1	13.33	39.84	33.36	33.60
Valparaiso	Pesos to £1	18	1.64	1.64	1.64
Calcutta	Pence to dollar	..	2.08-1.6	2.08-1.6	2.08-1.6
Hong Kong	Ster. to dollar	..	2.08-1.6	2.08-1.6	2.08-1.6
Shanghai	Ster. to dollar	..	2.08-1.6	2.08-1.6	2.08-1.6
Yokohama	Ster. to dollar	..	2.08-1.6	2.08-1.6	2.08-1.6

* Pence to Escudo.

The New York rate fell a trifle during the half-year as a result of dearer American money rates, and the repatriation of some of the American funds employed earlier in the year on the London Stock Exchange. Following the stabilisation of the franc, the Paris rate opened in favour of France.

RAILWAYS AND ROAD POWERS.

(BY A CORRESPONDENT.)

As this is being written, one of the most remarkable Parliamentary Committees of modern times—that which has been considering the Railway Road Transport Bills—is nearing the close of its proceedings. On Wednesday last it was sitting for its 37th day, and the cost of its proceedings will be comparable to those of the great historic contests in the early days of the railways. In view of the wide expression of opinion on the second reading in favour of the grant of the road powers, the outcome of time, money, and eloquence spent on these proceedings is comparatively small. The most remarkable decision was that severing the Metropolitan Railway Company from the rest, the preamble of their Bill being held not proved. The reason for the decision is left to the imagination, and it is possible that the Committee hold the view that this railway should join hands with the other underground railways, when the road traffic work would pass naturally into the hands of the London General Omnibus Company and its allies. If the rejection of the Bill hastens this union, then there are many grounds for considering that it will have helped towards a further improvement in the organisation of London traffic working.

In approving the other Bills the Committee intimated that the London County area was to "be excluded from the operation of the Bill." This has since been explained as applying to passenger traffic only. Even so, it is no mean limitation on the powers to be granted to the railway companies. At the same time, in view of the congested state of many of London's streets, and the

experiments which are being tried under the authority of the London Traffic Act, the decision is not surprising. The companies rather have reason to congratulate themselves that the area of restriction is the County of London, and not the larger London Traffic area. An attempt may be made in the Third Reading stage to have the larger area substituted. It must not be overlooked, however, that as the distance from the business centre of London increases it becomes more and more important that the two means of transport should work in co-operation rather than in competition. It is not merely a question of efficient service, but also the interest of the public in the economical use of the roads makes this desirable.

Protection is also granted to statutory tramway, trolley and omnibus undertakings of municipal authorities within their own municipal boundaries. "Municipal" is to be construed broadly to include the statutory undertakings of other local government authorities, such as urban district councils. Practically this means that the powers are granted for goods traffic, but for passenger traffic they will be considerably circumscribed. These limitations on passenger traffic may prove to be serious. In many cases the last couple of miles of a road service must come into one of the restricted areas if it is to serve a useful purpose, and the protection may so reduce the receipts of a railway-run road service that it makes a loss instead of paying its way. If the service cannot be maintained on this account, it is probable that the public will suffer quite as much as the railway company.

The provisions for publicity are especially in the public interest. The fares on railway-owned omnibuses are to be posted up; experimental services are to be notified to the Ministry of Transport, so that they can be watched; the Minister is to have power to institute an inquiry where he is of opinion that the powers conferred have been used contrary to the public interest, and to report to Parliament. The Committee have shown true statesmanship in refusing most of the protective clauses sought by sectional interests, and have relied upon publicity as the main controller. Given a full knowledge of the facts, Parliament, backed by public opinion, can be relied upon to see that the powers now being granted are made to serve the public interest, and not merely those of the railway companies.

The natural inclination now is to ask how these powers will be used and how they will affect the financial position of the railways. It cannot be said that the railway witnesses have given any very clear indication of the uses to which they propose to put the powers. Is this because they have no plans ready, or because they do not wish to give the road interests notice of their plans a day sooner than they must? Probably the first use will be to turn the existing organisation for the collection and delivery of goods and parcels traffic to general road carrying. The extra expense will be trifling, while the public will immediately gain a useful additional service and the railways additional receipts. This will doubtless soon be followed by considerable extensions of the area over which the cartage work is done, and then there may soon follow a closing of many of the smaller goods stations—at any rate, to all but wagon-load traffic. It is probable that in this direction the greatest economies to the railways and the biggest improvements in the service lie. The eight-hour day and the high level of railwaymen's wages have caused many small stations to become unremunerative. In addition there have been losses of traffic. Yet it is impossible to reduce the staff. If all the less-than-wagon-load traffic can be transferred to the road, not only will it be possible to reduce the staff, but these smaller lots will be placed on rail at a larger station with a much greater prospect of being carried in a through wagon to their destination without the delay or cost of transhipment.

There may be a similar development in connection with the passenger traffic, but in this case the railways have no existing organisation to expand. The most commercial development would seem to be by acquiring an interest in or entering into agreements with existing bus undertakings. This would economise capital, produce results more quickly, and save the inevitable losses due to a period of severe competition. Whatever line is taken, the railways have as much to gain from cutting losses as from recovery of traffic from the road. How much the gain comes to at an early date will depend upon how quickly

and how accurately the railway managers divide the traffic into that which can be most economically carried by railway and that which can be most economically carried by road. To seek to draw back to the railway traffic which can best be carried by road, will be to sling good money after bad. Then the railways have now to realise that railway transport and road transport are industries requiring different policies in many respects. It is significant that again and again railways have set up road services only to lose money. The services have been withdrawn, and an independent road carrier has then started. The latter has soon developed a prosperous business.

When all is said and done, it may be doubted whether the gains to the railways or the public will be more than moderate until the final recommendation of the Committee to Parliament is heeded. The railways must carry all kinds of goods for all, whilst road transport can pick and choose; the former may not commit an undue preference, whilst the latter can; a railwayman is strictly limited to an eight-hours day, whilst road men are working longer hours. Road carriers must be regulated, so that these and other differences are brought into some sort of harmony. The sooner the Minister of Transport sets up the Royal Commission, which he mentioned in a speech at a recent dinner, to investigate the road transport problems and the relationship of the various means of inland transport to one another, the better for all parties.

OUR INDEX NUMBER: HALF-YEAR'S PRICES.

The upward tendency of the general level of wholesale prices, which showed itself in the early months of this year, was checked in May and gave way to a substantial decline in June, when, as will be seen from the first of the tables included in this article, a fall was recorded in each group of commodities, with the result that our Index Number fell from 4034 to 3951. This figure compares with 3945 at the end of 1927 and 4004 a year ago:—

Date.	Cereals and Meat.	Other Food Products (Tea, Sugar, &c.).	Textiles.	Minerals.	Miscellaneous (Rubber, Tin, Lead, Oils, &c.).	Total.	%
Basis (avg. 1901-5) ..	500	300	500	400	500	2200	100.0
End July, 1914	579	352	616	464	553	2563	116.8
" Nov., 1918	1289	782	1848	903	1389	6212	282.6
" Mar., 1920	1508	914	2974	1246	1709	8352	379.6
" Dec., 1920	1344	805	1284	1216	1275	5924	269.8
" Dec., 1921	921	636	1106	763	931	4357	198.0
" Dec., 1922	861	706	1184	705	807	4264	193.8
" Dec., 1923	853	815	1382	774	755	4850	220.2
" Dec., 1924	992	789	1452	815	806	4855	220.7
" Dec., 1925	936	679	1120	733	782	4251	193.2
" Dec., 1926	875	736	859	773	731	3975	180.7
" June, 1927	913	716	1007	662	705	4004	182.0
" Sept., "	860	748	1098	617	713	4038	183.6
" Dec., "	845	716	1029	620	733	3945	179.3
" Jan., 1928	839	685	1031	609	722	3887	176.7
" Feb., "	852	700	1050	594	723	3921	178.2
" Mar., "	882	676	1087	598	723	3967	180.3
" Apr., "	913	663	1100	602	754	4039	183.6
" May, "	948	655	1096	609	724	4034	183.4
" June, "	893	647	1091	601	718	3951	179.6

So far as the past month's movements are concerned, the most important are in the cereal and meat section, where a pronounced fall in wheat and potatoes is the feature, while practically every single commodity in the group is lower than at the end of May. The fall in the figure for subsidiary foodstuffs is less pronounced, butter being dearer, but tea has fallen by just over 1d per lb. Among textiles, a rise in American cotton is more than compensated by a drop in Egyptian, while yarn and cloth are dearer; flax and hemp are cheaper, but there has been a hardening in jute. The reduced figure for minerals is due to lead, tin, and copper, all of which are lower on the month. In the miscellaneous group the month's movements are comparatively slight.

A glance at the table given above shows that the general level of wholesale prices ends the half-year at very much the same point where it began, the fall in June having balanced the advance in the preceding months. Cereals and meat, however, in spite of the big drop in

June, are higher than at the close of 1927, and the same is true of textiles, but the other three groups are lower than six months ago. How individual commodities contributed to the half-year's movement in the group figures is revealed by the following table, which shows the index number for each commodity and its advance or fall during the half-year just ended:—

	Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.
Wheat—For..	89	+ 9	Cotton, A	110	+ 19	Copper	523	+ 2
English	85	+ 8	Cotton, B	138	+ 16	Minerals	601	- 194
Flour	82	+ 4	Yarn	104	+ 10			
Barley	84	+ 4	Cloth	112	+ 4			
Oats	101	+ 27	Wool, Eng.	148	+ 2	Baltic timber	95	..
Potatoes	112	+ 37	Do Aust.	109	..	Amer. timber	77	..
Rice	104	- 5	Silk	68	+ 2	Leather	76	- 12
Beef	80	+ 21	Flax	133	+ 3	Petroleum	87	- 6
Mutton	86	+ 1	Hemp	53	- 6	Rubber	11	+ 6
Pork	71	- 29	Jute	114	+ 10	Oils	674	- 14
						Oilseed	65	+ 3
Cereals & meat	893	+ 48	Textiles	1,091	+ 61	Tallow	764	..
Tea	129	- 26	Pig-iron	71	+ 1	Crystals	854	..
Coffee	135	+ 1	Steel rails	71	..	Miscellaneous	718	- 14
Sugar, cane	92	- 22	Iron bars	79	..			
Sugar, beet	92	- 20	Coal, steam	93	+ 2			
Butter	81	- 2	House coal	61	+ 1			
Tobacco	116	..	Lead	89	- 5	Total	3,951	+ 6
			Tin	83	- 20			
Other foods ..	647	- 69						

In the first group potatoes (in spite of their cheapening in June) and beef are principally responsible for the advance on the half-year, while pork shows the chief decline. Among subsidiary foodstuffs, the drop in tea and sugar is pronounced. In the textile section hemp, with a slight fall, is the only exception to a general upward tendency, while the drop in the minerals figure is chiefly due to tin. On the half-year, as in the past month, the movements in the miscellaneous group are not very striking.

In the next table we give actual quotations of a number of principal commodities and a comparison with prices at the end of March and in the middle and at the end of the past two years:—

	1926.	1927.	1928.
	End June.	End Dec.	End March.
Wheat, North Manitoba No. 1, per qr	62/3	59/	60/6
Flour	50/	44/	45/
Beef, English sides	4/10	5/4	6/
Tea	1/7	1/5	1/7
Sugar, B.W.I. crystallised	25/4	34/3	32/3
Cotton, Middling American	9/30d	6/90d	7/82d
" Yarn, 32's twist	14/3d	12/3d	12/3d
Wool, Queensland scoured	45d	45d	45d
Flax, Fava Z.K.	£65 10/	£54	£86
Pig-iron, Cleveland G.M.B., No. 3 ..	£43	£31	£31
Steel Rails, Middlesbrough ..	£8 5/	£8 10/	£8 10/
Coal, Best Steam	27/6	29/6	24/
Lead, English Pig	£31 5/	£30 5/	£28 10/
Tin, Standard	£27 3/	£30 7/	£30 7/
Petroleum	1/1	1/1	1/1
Rubber, Para	1/2	1/4	1/4
Oilseeds, Linseed and Rape	£42	£39	£39

Making the comparison with June 30, 1927, the following commodities are dearer:—Beef, jute, cotton, and wool. On the other hand, those that are now cheaper than a year ago include wheat, tea, flax, sugar, pig-iron, coal, lead, tin, petroleum, rubber, and oilseeds.

The main table, printed at the beginning of this article, shows the advance of our Index Number over the basis of the average prices of 1901-5 to be 79.6 per cent. Recalculating the figures on the basis of the level of prices in force at the end of July, 1914, we find the increase to be 54 per cent. over the pre-war level, as a final table shows:—

End of—	Cereals & Meat.	Other Food.	Textiles.	Minerals.	Miscellaneous.	Total.
July, 1914	100	100	100	100	100	100.0
Dec., 1918	226	222	293	186	241	237.5
Mar., 1920	261	260	484	269	309	325.6
Dec., 1920	233	229	209	261	230	230.9
Dec., 1921	151	194	181	150	148	163.3
Sept., 1922	148	231	225	167	136	178.6
Dec., 1923	162	193	232	158	141	165.8
Dec., 1925	151	209	139	167	132	155.0
Dec., 1926	158	204	163	143	127	156.1
June, 1927	158	213	178	133	129	157.4
Sept., "	146	204	167	133	132	153.8
Dec., "	146	204	167	131	131	151.5
Jan., 1928	147	199	170	128	131	152.8
Feb., "	152	192	176	129	131	154.7
Mar., "	158	190	178	130	136	157.4
Apr., "	164	186	178	131	131	157.3
May, "	154	183	177	129	130	154.0
June, "	154	183	177	129	130	154.0

It will be seen that the rise over the pre-war level in cereals and meat exactly corresponds to the general advance; while the rise in other foodstuffs and in textiles is far beyond the average, and that of minerals and miscellaneous commodities far below it.

INDIA'S RURAL PROBLEM.

THE Royal Commission appointed in April, 1926, under the chairmanship of the Marquess of Linlithgow, to investigate the conditions of agriculture in British India, has issued an unanimous Report,* whose conclusions are likely to have an enduring influence on the future trend of Indian rural economy. The Commission's terms of reference involved a more comprehensive survey than had previously been attempted by such bodies as the Famine Commissions of 1898 and 1901, the Irrigation Commission of 1903, or the 1915 Committee on Co-operation, whose recommendations were directed primarily to a single aspect of India's rural problem. The present Report, which runs to 675 pages of detailed description and argument, does more than deal with the technical questions of how Indian agriculture may be improved in method, by ampler research, better marketing, and easier credit facilities; it gives an illuminating picture of the whole social organisation and life of those dependent for livelihood on agricultural and pastoral pursuits—that is, 74 per cent. of India's entire population. The volume is therefore one of great importance.

The problem of Indian agriculture is in essence a sociological problem—the problem of apathetic poverty. The past 50 years, it is true, have witnessed the beginning of changes in village life. With the growth of irrigation, of means of communication, and, above all, of external markets, cultivation of "money crops" for sale—cotton, oil-seeds, jute, tea, and tobacco—has become a definite factor in rural economy. Moreover, the primary manufacturing processes of agricultural products—cotton ginneries, oil mills, tobacco factories—have begun to extend to the small towns and larger villages, affording employment after the harvest to the poorer local cultivator. But though the ancient structure of isolated, self-subsistent, village society has begun to be modified by these developments, the main characteristics of India's 500,000 villages—for the most part untouched as yet by railway or metalled road—are still those of the centuries before British rule. In a country whose inheritance laws and tenancy legislation have combined to favour small-scale farming, where two-acre holdings are common and the majority are under five acres, the *ryot*, for the most part, still raises crops not for profit, but for food. His standard of life is low, and he is scarcely aware of the existence of higher standards. Preventible disease and malnutrition seriously impair his efficiency. To quote the Report: "in the vast majority of the villages he does not want, because he has never known, such amenities as modern sanitation, pure drinking water, or skilled medical aid."

All who have come in contact with the desolating inertia of the Indian countryside will endorse the conclusion which forms the crux of the Commission's findings. "No substantial improvement in agriculture can be effected unless the cultivator has the will to achieve a better standard of living and the capacity, in terms of mental equipment and of physical health, to take advantage of the opportunities which science, wise laws, and good administration may place at his disposal..... The demand for a better life can, in our opinion, be stimulated only by a deliberate and concerted effort to improve the general conditions of the countryside."

The responsibility for initiating the steps required to effect this improvement and so give "self-help" among the Indian peasantry a chance to flourish is rightly laid by the Commission on the shoulders of the Government of India and local governments, with the emphatic recommendation that "the rural problem should be attacked as a whole, and at all points simultaneously." The detailed proposals for administrative action which the Commission makes appear to us well-considered and valuable. For

* H.M. Stationery Office. 15s.

the furtherance of agricultural research the establishment is recommended of an Imperial Council which should promote and co-ordinate research work, train workers, and act as a clearing house for information. The need is emphasised for a large increase in the Indian Veterinary Service, and for steady propaganda and demonstration of methods among the villages. For the construction and improvement of village roads it is proposed that liberal grants-in-aid should be given from provincial revenues. Regulated markets, under committee management, should be established by provincial legislation for all crops, and an expert marketing officer should be appointed in each province to organise market surveys. As a check on the accumulation of debt, it is suggested that no usufructuary mortgage of agricultural land should be permitted unless provision is made for automatic redemption within a maximum period of 20 years. More should be done by provincial governments to encourage the co-operative movement by financing propaganda and instruction, and by Government guarantee of interest on the debentures of land mortgage banks set up under the provisions of the Co-operative Acts. Finally, as an essential complement to any specific plans for improving agricultural technique and finance, the Report stresses throughout the vital need for more education, in the widest sense of the word, whether it take the form of schooling or of expert counsel by "guides" attached to the villages.

This brief summary necessarily fails to do justice to a complex and voluminous Report whose breadth of view and sanity of argument merit high praise. The Commission has done all it could do to lay the foundations of sound rural policy in India. The fruits of that policy depend ultimately on the extent to which "the will to live better" can be aroused in the masses which that teeming land, so prodigal and so wasteful of life, supports. In the Commission's words, "mere material improvement alone will not bring lasting benefit..... if every enhancement in the purchasing power of the cultivator is to be followed by a proportionate increase in the population." Not the least merit of this instructive Report is that it brings out thus clearly not only the economic, but the all-important and less widely-recognised psychological side of rural India's problem.

BRITISH VERSUS AMERICAN COAL.

(BY A CORRESPONDENT.)

A BIG contest between British and American coals, chiefly in Canada, is developing in remarkable circumstances. It has long and generally been considered, or taken for granted, that our coal—also our heavy iron and steel—could not offer competition against American in Canada because the Dominion neighbours the United States, and because both mining and transport costs are very low in the States. That was correct before the war. It has been correct in some post-war years. The idea is very much mistaken now. I have spent much time investigating the productive, transport and marketing conditions, and I have been able to demonstrate that on balance the competitive advantage is on the side of our people. In 1922 South Wales anthracite was sold to the extent of 200,000 tons in Canada, when the hard coal miners in the States were on strike. Last year 750,000 tons went from South Wales to the Dominion. This year the trade will probably prove much greater, and if our prices and sea freights remain low American anthracite may be beaten nearly out of the Canadian market before long. Besides Welsh anthracite, Scottish anthracite may compete against the American material, and a special organisation has been formed to develop the business. Both English and Scottish bituminous coals stand good chances of coming into the picture against American coals in the Dominion, and keen interest is being aroused on both sides of the Atlantic.

Newcastle shippers have secured a contract to supply 40,000 tons of coal to the Newfoundland railways. This is entirely new trade for English coal. There is no visible reason at present why our people should not capture the bulk of the Canadian import business. It reached 19,000,000 tons last year, of which the American share was

18,000,000 tons. It is now possible to sell British anthracite even in Boston against American coal. Two cargoes have recently been shipped from the Bristol Channel to that United States port. More anthracite coal is being sent to Canada from our country, and the Newfoundland Railway order is significant.

Current pithead and transport costs and the selling prices are interesting, and they prove how profoundly competitive conditions have changed within recent months. Bunker coals, American or Canadian, are quoted from \$7.75 to \$8.25 per ton at such places as Halifax, St. John and Montreal. The average price of soft coals imported into Canada from the United States is over 30s per ton, and the price of anthracite is vastly higher. In Toronto householders pay from £4 to £5 a ton for American prepared anthracite fuels. Now consider some British figures. Best North of England and Scottish steams are being sold f.o.b. at about 13s 6d a ton. Best Welsh admiralty large is under 20s a ton, f.o.b. Freight rates range from, say, 7s to 9s per ton. There have been quotations as low as 6s 6d in recent months. Clearly, we can sell, and sell at a profit, English and Scottish steams and related grades, c.i.f. Canada and Newfoundland, under 25s a ton, and best Welsh steams and bunkers under 30s. The Americans do not seem to be able to get down to those low figures. The fact is that the transport cost advantage so long held by the Americans in the matter of trade with Canada has ceased to exist, and, as a matter of fact, it was never so great as imagined. Besides, this British mining costs are nearer to the low American level than they ever were before.

It is questionable if British average pithead costs are 4s a ton higher than the costs in the United States, taking hard and soft coals together. When it comes to transport we have an advantage which more than counterbalances that figure. In our districts likely to export coal to Canada the average cost of conveying from the pit to the ship's hold is only about 3s, and there is no real reason why this should not be reduced. Then, with freights averaging, say, 7s 6d a ton to Newfoundland and the St. Lawrence ports, we have an inclusive British pit to Dominion port charge of only 10s 6d per ton. Not only might we have economies on the docks and railways, but with something like an organised system or scheme of return cargoes for the vessels taking the coal West the freights might be reduced. Newfoundland iron ore might be brought in great quantities to be smelted in our blast furnaces on the North-East Coast. Much of the grain trade which passes from Canada through the North-Eastern corner of the United States might be shipped from the ports of the St. Lawrence. These points are receiving attention in the right quarters. With the provision of more dock facilities on the St. Lawrence, a huge trade might be developed. The Dominion Government is prepared to give assistance.

Without counting upon any reduction in rail, dock or vessel charges in our coal for Canada, our transport cost is low enough to enable our people to develop a trade in the Dominion something like sufficient to balance their losses in Continental Europe. To begin with, it does not seem possible for a good grade of American soft coal to be profitably sold at less than 8s per English ton at the pitheads. Ordinary run-of-the-mine coal has been quoted down to \$1.80 per short ton, but this is a "cut" figure, and the American mine owners are talking more of losses than profits. We shall not be far wrong in putting the bedrock profitable price at 8s per English ton. Then comes the cost of transport. There are two ways of transporting American coal to Canada, and they are both very costly. When the coal is shipped *via* the Atlantic Coast ports, such as Hampton Roads or Baltimore or Philadelphia, there is a rail rate of no less than 11s a ton. With dock charges and commissions added the difference between the pit and f.o.b. price has long been 12s, and even under pressure from the Government the railway companies will not consent to reduce their rates by more than 20 cents, and this reduction they confine to the Pittsburg area. Then the ship freights from the American to the Canadian ports range from a bed-rock bottom dollar, dependent on special circumstances in the matter of return cargoes, up to as much as \$2.50 per ton. Roughly, it costs an average of 21s a ton to carry the American coal to Canada *via* the Atlantic.

When the coal goes by what we may term the overland route, the cost is not very much less, and in some cases it is more. The rail rates from the pits to the boundary range from 9s to 15s per ton. Then there are Lake port charges, and Lake, canal and river shipping freights to get the coal to the Canadian cities. The inclusive transport costs from the American pits to the Canadian ports by this route range from 15s to 25s per ton.

The Canadian Government is anxious to have its country independent of American coal, it is ready to facilitate the import of British coal; and it stands to-day beyond dispute that British fuels of practically every class can be quoted c.i.f. Canada and Newfoundland—not to mention South America—at figures which our American friends cannot touch. There are difficulties in the way of our trade, such as storage during the period of the year when the St. Lawrence is ice-blocked, and there are manufacturing concerns in Canada which, being owned by Americans, will not use British coal if they can help it; but the storage difficulty can be surmounted, the dock accommodation can be increased, and there are many Canadians who will readily buy British coal if and when it is cheaper than American coal and is sized and otherwise prepared to suit them. What a great coal export trade to Canada will mean to British shipping may easily be imagined.

Notes of the Week.

The New German Government.—The formation of a German Cabinet has at last been achieved, but only after exceptionally protracted negotiations. Owing to the opposition of the People's Party to entering a Grand Coalition of the Reich until they are admitted to the Prussian Ministry, the Socialist leader endeavoured to form the smaller Weimar Coalition. When that proved impossible he fell back on the device of a Cabinet of "personalities"—i.e., a Cabinet of men drawn from the *personnel* who would be in a Grand Coalition Ministry, but holding their seats without any pledges of support from their parties. The German People's Party has entered upon a condition which has yet to be fulfilled, and the Centre has entered only provisionally. But though the proposed definitive Great Coalition Cabinet is not to be created until the autumn, and may not be created even then, the newly-born Cabinet refuses to regard itself as temporary. On Tuesday the new Chancellor, Herr Hermann Müller, met the Reichstag, and presented it with a legislative programme, which even in favourable circumstances might occupy the whole four-years' term. This programme covered almost all important international and domestic questions, including economic and financial matters. Declaring that "the business of the world is sick from Protectionism," Herr Müller expressed himself even more strongly than the Marx Cabinet for the Geneva tariff recommendations of 1927. The Cabinet will not only work by means of international agreement for the all-round lowering of duties, but will also, in accord with the Geneva recommendations and with the policy embarked on by the late Cabinet when it submitted the question to the Reichswirtschaftsrat, take independent measures for the reduction of the German tariff. Herr Müller demanded a definitive settlement of the Reparations question, and expressed the view that the past four-years' working of the Dawes Plan has supplied sufficient material upon which to base a settlement. New trust legislation is promised, but State restriction is to be limited to the minimum possible, and useful activities of industrial combinations are to be encouraged. Direct taxation on the economically weaker classes is to be reduced. The Socialists had already committed themselves to the reduction of the wages income-tax. Herr Müller foreshadowed reduction of all income-tax (assessed as well as wage) on incomes of under 8,000 marks a year. The wages income-tax will have to be reduced, as the yield already exceeds the legally fixed maximum of 1,300 million marks a year. Thus the work outlined is severe; but it may be taken that, in spite of the difficulty of making a Cabinet, it represents the policy of those who will, in fact, be the directing brains of Germany.

during the next four years. From the international point of view we can count on a Germany which will be a promoter, and not a disturber, of peace.

The Return of M. Venizelos.—On Tuesday, July 3rd, Admiral Koundouriotis, the President of the Greek Republic, asked M. Venizelos to form the new Ministry, and M. Venizelos accepted—thus returning, after all, to active politics after four years passed in the background and largely abroad. M. Venizelos's return is an event of European interest, for he is one of the most distinguished of living European statesmen. Possibly he might dispute with President Masaryk—citizen of another small country—the claim to be actually the most distinguished statesman of his day; for in a statesman representing a small country eminence presupposes greater personal distinction than it does in one who rides to greatness on the prestige of a Power like Great Britain or France. Yet it may be doubted whether M. Venizelos's latest decision will be found to have enhanced his reputation when his final account is made up, for, if a statesman is to serve his country, outstanding ability and patriotism are not enough. He cannot employ his gifts to his country's advantage unless he can persuade his countrymen to work together, and here is the weak point in M. Venizelos's position. Just because his personality is so strong, and because chance laid his career in such stormy times, he has become not only the most distinguished but the most contentious figure in the home politics of his country. His return to power may awaken the memory of those unhappy political feuds which divided the Greek people—with such disastrous effects upon the national fortunes—during the ten years beginning in 1915. It is only recently that, by the exercise of much self-restraint on all sides, these feuds have been surmounted and national unity restored. It is a pity that this unity should be endangered, and this danger seems too heavy a price for Greece to pay for the recovery of the services even of her most talented living statesmen. Moreover, M. Venizelos is returning to power in somewhat invidious circumstances. The ministry which he is replacing was a coalition which fell because M. Venizelos, while officially in retirement, interfered with the action of the nominal leader of the Liberal Party in the Coalition Cabinet. His difference of opinion with M. Kaphendaris related to certain financial questions, in which the issue is not clear-cut, and it seems possible that the line which M. Venizelos is taking over one of these questions may bring Greece into conflict with the League of Nations. In greeting the return of a distinguished European statesman to office, there is much room for doubt whether this time the omens are favourable to his success.

The Savidge Case and the Police.—Up to the time of going to press the report of the Savidge inquiry has not been issued. The delay is difficult to understand, and is certainly unfortunate. One has only to turn back to the Parliamentary debates to realise that it was clearly the wish and expectation of the House of Commons that the investigation of this specific matter should be carried through with the greatest expedition, and that a broader and more general inquiry into police methods should follow. We are in no way reflecting upon the industry and ability of the Commissioners, who, indeed, deserve a titulus for shouldering an onerous and unpleasant duty. But the fact remains that five weeks have passed since Parliament demanded the inquiry, and five weeks in a matter of this sort is a long time. It is to be hoped that the Report will be in the hands of the Home Secretary very soon, and that he will lose no time at all in placing it before the House of Commons and the country. Meanwhile, it is singularly unfortunate that pending the publication of the Savidge Report, the Home Secretary should have announced the appointment of a successor to Sir William Horwood, the Chief Commissioner of Police. He, it was known, was due to retire in the autumn. But the autumn is not yet near enough to make it necessary to announce the new appointment at this inopportune moment. Surely we should have had the Savidge Report first. Nor has the Home Secretary been happy in his announcement of Sir William

Horwood's successor. General Byng is generally respected as a fine soldier, an inspiring leader, and a capable administrator. But there are two facts which cause doubt about the wisdom of his appointment. In the first place he is a soldier, while the police force is a civil body, and there are strong reasons for breaking the recent practice of appointing a military head of a civilian force. Then, again, Lord Byng's age of 65 is rather the age of retirement than of initiation into a stiff administrative post. The Home Secretary spoke of Lord Byng's acceptance as of "a very stern call to duty." The use of this phrase in the course of question and answer in the House of Commons is one that he will doubtless elucidate when the appointment is debated next week. It may have been no more than the chance phrase of a heckled Minister, but it has aroused misgivings of a serious kind. If, in the Home Secretary's view, the state of affairs is such that a big man is needed for a big job, then there is more abundant reason than ever that the public should have the Savidge Report at once, and that the broader inquiry should follow immediately.

A Gift to the Nation.—The Chancellor of the Exchequer announced in the House of Commons on Tuesday that he had received and accepted on behalf of the nation a gift of £500,000 from Lord and Lady Inchcape. The gift represents the residue of the estate of their late daughter, the Hon. Elsie Mackay, who lost her life in an attempt to fly the Atlantic, and is made as a memorial to her. The conditions of the gift are that the fund thus created, to be known as "the Elsie Mackay Fund," should be allowed to accumulate at compound interest for 50 years and then be applied to the cancellation of National Debt. The fine human feeling which prompted Lord Inchcape and his family to renounce the personal use of this legacy is matched by the public spirit evinced in the method of its bestowal in the national interest. Among the many public services of Lord Inchcape not the least was his work on the Geddes "Axe" Committee, which in itself may be regarded as having paved the way, through reduction of expenditure, to large-scale debt redemption. Through his present gift the National Debt will be reduced by perhaps £5 millions in 1978. In these days of high surtax and onerous death duties we can hardly expect that many will follow his example, but it is certainly a form of public service that may be most unreservedly commended to patriotic millionaires.

Money and the Half-year.—The money market last week had an unpleasant surprise. Although a certain amount of precautionary borrowing from the Bank had taken place during the early part of the week, it was generally anticipated that the half-year "squeeze" would be less severe than usual, this view being partly based on the supplies of French money present in London. On Friday afternoon the market suddenly learned that this French money would not be available. A certain bank saw a chance of picking up a cheap line of Treasury bills, and in order to do so contrived to lay hands on much of this French money. The result was that other banks which had expected to have the money available to help the market through the turn of the half-year had to call from the market at the last moment instead of lending. This meant that the market was caught short on Friday afternoon and Saturday morning, and so was driven into the Bank. The amount borrowed from the Bank reached a very substantial sum. The Bank return shows that other deposits have risen during the past fortnight by £28.7 millions, and other securities by £27.4 millions, these figures being a very approximate measure of the market's demands. Furthermore, most of the last-minute borrowers are finding themselves in the Bank for as long a period as eleven or twelve days, as the Bank will not lend more than a limited amount on any one day for only a week. There is no ground of complaint against the Banque de France or any other Paris institution who may be indirectly involved, for they can very properly reply that the total amount of their money in London remained unchanged. Nor is it legitimate to blame the London bank whose purchase of Treasury bills was the immediate cause of part of the trouble. After all, the

transaction was part of their proper business, and the market should have foreseen such an eventuality. The plain truth of the matter is that the market had, as matters showed, made insufficient preparation to meet the half-year withdrawals by the clearing banks, the magnitude of which it had possibly under-estimated, and so a special transaction which normally would have had little effect, on this occasion caused a considerable disturbance.

President Obregon.—The election of President Obregon was a foregone conclusion as far as the working of the electoral machine was concerned. Obregon is the comrade of the outgoing President, Calles, and Mexico, though she is now making remarkable progress in many departments of her national life, is still one of those countries in which elections are more or less "made" by the Government that is responsible for holding them. Moreover, the policy for which Obregon and Calles stand is almost certainly the policy that commends itself to a majority of the Mexican people; for though their feud with the Catholic Church may have brought them many enemies in what was once supposed to be the most Catholic country in the world, except French Canada, it is probable that their land and labour policies have won them an amount of support which far more than outbalances that hostility. The danger was that the normal working of the electoral machine might be upset, at the critical moment, by some military or ecclesiastical or ecclesiastico-military pronunciamiento. A holy guerrilla war has been going on for some time in the wild north, and there are always ambitious generals who may be tempted to try their fortune. That danger seems now to have been surmounted; and this is a very good thing for Mexico herself and for everybody else concerned. From about 1910 to the beginning of President Obregon's first term of office in November, 1920, Mexico was in a state of disorder and discomfort not unlike that in which China has found herself from 1911 to this day. Mexico began to extricate herself from this unpleasant condition after she had undergone ten years of it, and during the last seven or eight years she has been steadily carrying on the arduous work of putting her house in order. During this period of reconstruction, too, she has had serious difficulties and dangers to contend with; her collision with foreign vested interests over the application of the new land law and the new sub-soil minerals law, her collision with the Catholic Church over the relations of church and state, particularly in the matters of church property and church discipline and education, and, last but not least, the alarms and excursions caused by the personal rivalries of political and military leaders. So far she has surmounted all these difficulties, though there have been moments when they seemed likely to bring her into conflict with her formidable neighbour the United States. Now, with President Obregon returning to office in succession to President Calles, there is a fair prospect not merely of a continuity of policy, but of a continuity of tranquillity for the pursuance of national reconstruction. Foreigners who do business in Mexico, and who are incidentally creditors of the Mexican Government, have a common interest in this matter with the Mexican people themselves.

Railway Labour.—At the annual conference of the National Union of Railwaymen, held at Bristol this week, two significant resolutions were passed. A majority of four to one pronounced in favour of the efforts being made by the General Council of the Trade Union Congress to reach a common basis of understanding with Lord Melchett's group of employers, and in Wednesday's private session a vote was passed authorising the executive to accept the request of the railway managements that a joint meeting should be held to consider the wage agreement. It was stated that no definite proposals had been received from the companies, but Mr J. H. Thomas, addressing a railwaymen's demonstration on the eve of the conference, expressed his hope that railway workers would "face fairly and squarely" a situation "far more serious than is generally known." The railwaymen's leader is not an alarmist, and these are grave words. Coinciding—as one would suppose, designedly—with pointed references by the G.W.R. management to falling revenues, this warning of Mr Thomas is presumably to

be construed as a method of "breaking it gently" that proposals either for lower wages or (more probably) for some modification of the guaranteed week will have to be considered. The joint conciliation machinery of the railways has worked well in the past, and though the N.U.R. is sure to cling tenaciously, and with justification, to the improved standard of living which its members have enjoyed since the war, there are many minor adjustments which could probably be made without unfair sacrifice, if the need for retrenchment is established. The temper of the annual conference, despite the speeches of a small, but vocal, minority, augurs well for the future of industrial relations on the railways. It is clear from the attitude of this representative group of trade unionists that, though the stock denunciation from the platform of the political infamy of capitalist Governments is "safe" for answering cheers, the great majority of the organised workers of this country are not impressed by the Maxton-Cook programme of "unceasing class war and the smashing of all agreements," but are realising that the proportionate distribution of the product of industry is an issue, not unimportant or to be overlooked at any time, but at least subsidiary to the primary need to create by joint effort the means whereby a tolerable standard of life can be supported. During the past two years the railway companies have shown that they appreciate the value of closer contact between the managements and the representatives of their employees. There is good reason to hope that the good relations which have been established will survive through the forthcoming negotiations on conditions of service.

The Quarter's Revenue.—The new financial year has not started too well for the Exchequer. Ordinary revenue at £128.5 millions for the quarter shows a decrease of £4.7 millions on last year, and this is more than explained by declines of £3.4 and £2.4 millions in income-tax and super-tax respectively. It is true that last April the Chancellor budgeted for a reduction on the full year of £17.6 millions in income-tax, but this was mainly because of the new concessions he made then in respect of children's allowances. Now the majority of the taxpayers so affected pay in January and July on assessments made during the previous autumn, and this makes it inconceivable that Mr Churchill's concession can yet have affected the income-tax yield. It almost appears that this shrinkage is one more piece of evidence proving that British trade is still suffering from a lack of resilience, even though little can be deduced from the first quarter of the financial year. As regards other revenue items, estate duties and stamps have again come to the rescue at £2.0 and £1.1 millions respectively; but this last source of revenue is partly dependent upon the maintenance of Stock Exchange activity, and possibly too much reliance should not be placed on it in future months. Post Office net receipts, after deducting "self-balancing" revenue and expenditure, show a welcome increase of £1.45 millions. On the expenditure side, supply services show a disquieting tendency to remain at their level of last year, expenditure upon the fighting services being actually £450,000 higher. The Sinking Fund takes an extra £6.7 millions, but here the Chancellor has yet to gather his windfall of £13.2 millions from the note amalgamation. The cost of debt service is fractionally lower, and £500,000 has been saved on "other consolidated fund services." In short, ordinary revenue for the quarter has fallen by £4.7 millions since last year, while ordinary expenditure has fallen by only £900,000. This is not a very bright start.

British Public Expenditure.—It is understood that the analysis of the Appropriation Accounts for the last complete year which has just been concluded indicates that, in the absence of large-scale change in policy, there is now only the most limited field in which economy is likely to be achieved with the actual votes. In the aggregate of nearly £120 million on the fighting services gain may accrue from (a) the further co-ordination of contracts; (b) the fuller use of costing in hospitals, laundries, bakeries and kindred effort common to the three Services; and (c) the encouragement of saving by allowing a certain proportion of the amounts saved to go, subject to

the maintenance of efficiency, to individual units. Outside of such effort reduction of outlay clearly depends on policy making for the reduction of armaments and on such fall in prices as may occur in the near future. Trading accounts have been narrowed in scope; certain war services are now being definitely wound up; and many of these votes should not be regarded as commercial in character, but of the nature of research. In the social services many of the facts suggest the urgency of closer investigation of the percentage grant system under which the Exchequer contributes usually 50 per cent. to police, educational and health services, rising to 75 per cent. in the case of venereal diseases. The new rating scheme of the Government has at least the merit of hastening this inquiry, with that of withdrawing much of the highly centralised control of the Ministry of Health and similar Departments. The surrenders of unspent surpluses in the various Departments have now been generally reduced to pre-war figures, if not to something even better; in other words the estimating is now so close that the taxpayers can hardly plead that they are called on to provide more annually than is strictly required under the Estimates. That does not, of course, touch the volume of expenditure, which is a separate problem. It merely indicates that the technical efficiency of the pre-war period is for all practical purposes restored. The Public Accounts Committee and the Estimates Committee will continue to press concrete proposals for saving; but as matters now stand the total of such effort must be but an infinitesimal part of £830 million of expenditure.

The Darlington Disaster.—The Darlington railway accident comes as a tragic reminder that even the most stringent foresight and precaution is at times unavailing against disaster. The inquiry into its causes has still to be completed, and it would be improper to comment upon such evidence as is so far available. It is, however, timely and in the public interest to allude to the many precautionary measures which are now adopted by British railways in many places as a matter of course. Without entering into technicalities, it may be said that devices already exist whereby a train not only protects itself from being overtaken by a following train in its rear, but also "holds its road" free to itself with conflicting points set right to a certain definite direction ahead. In short, as far as it is humanly and scientifically possible, it can be provided that a disaster similar to that at Darlington cannot take place. Whether such devices were in existence at Darlington, or whether by some rare chance they failed on the side of danger and not on that of safety, the Ministry of Transport's inquiry has yet to show. In fairness to the railway company it is proper to add that these devices are comparatively new when measured against the long and honourable history of British railways. Considerable progress has been made in their installation, but their universal application must be a slow and costly business. Moreover, the paramount problem of how to prevent a train from over-running its signal still awaits a final satisfactory solution. The signalman can be, and is often to-day, protected against himself, but except on the London Underground the driver rarely is. The important point from the public standpoint is that the high measure of safety enjoyed by travellers by rail is not a mere accident, but is the result of ceaseless vigilance and new invention. As Darlington shows, this may break down from time to time, or even be defeated by fate. Still, the records show that travelling has become much safer even during the past 20 years, and for this the railway managements and servants of all grades must be thanked. One other—perhaps the least pleasing—aspect of the disaster must be mentioned. Certain newspapers used it as an occasion to advertise their own insurance schemes. The public view upon this was well represented by the executive committee of the National Union of Journalists, who said, "The committee fully appreciates the desirability of all legitimate methods of advertisement, but regards the means employed by certain papers on this occasion as being both derogatory to the profession of journalism and repugnant to a sense of common decency." This resolution represents the view of every reputable citizen.

Japanese Trade and Finance.—Cables from Tokyo concerning the financial and trade conditions in Japan in the half-year just closed report that in spite of the cautious attitude of bankers, the demand for funds for purchasing raw cocoon was far greater this year than last. The general tone of the money market, however, was scarcely affected, and the end of the half-year passed calmly without an increase of advances by the Bank of Japan. The share market displayed a favourable tendency by anticipating a cheaper rate for money. The price of rice declined gradually as a result of the favourable rainy season; raw silk was weak, but cotton yarn showed a firm tendency. The approximate figures of trade during the first six months show an excess of imports over exports of 230,000,000 yen, but a decrease of 59,000,000 yen when compared with the corresponding period last year; this is mainly due to the decrease in imported raw materials. The note issue of the Bank of Japan on June 30th was 1,462 million yen, against 1,464 millions a year ago; loans and discounts, 779 million yen, against 810 millions; and deposits 194 million yen, against 130 millions.

Conditions in Canton.—Our Hongkong correspondent writes:—A month has elapsed since the Tsinan incident without any noticeable abatement of the anti-Japanese feeling which was immediately aroused. In fact, the further from the scene of the so-called outrage the more bitter is the hostility, and in the Straits, Java, and other overseas settlements Chinese are seething with indignation. In Hongkong there were a few outbursts, Japanese shop windows being smashed and some women assaulted. More serious was the street-corner oratory working on the ignorance of the mob. Fortunately the Hongkong police lost no time in arresting various agitators, and a few exemplary sentences have put a stop to any further menace to the large Japanese colony here. The Canton Government have found it politic to make an appearance of sharing in the national indignation, but while they have acquiesced in the organisation of an anti-Japanese boycott, they have firmly refused to allow the employment of pickets for the examination of cargo or the checking of retail stocks of Japanese manufacture. Despite all the careful preparations made for the launching of an orderly boycott, there seems to be a lack of enthusiasm on the part of the commercial element in Canton, and foreigners are inclined to the view that the movement will very soon come to an end. Trade between Japan and China has made enormous strides of recent years, and a sudden stoppage will be a most serious matter for the Chinese consumer. The threat of a boycott brought out considerable inquiry for Lancashire greys and white shirtings, two lines which have especially suffered from Japanese competition. As a result of this inquiry a few small transactions have been put through, but there seems little prospect of any appreciable business being booked, for current Manchester values are far above local market prices. A boycott is a double-edged weapon, and any damage which the wielder inflicts upon himself will certainly not benefit the bystander. Apart from the anti-Japanese movement, Canton remains comparatively tranquil. Little interest is being shown by the Government in the progress of the Northern Expeditionary Force, and, as far as is known, no funds have been remitted for the support of Chiang Kai Shek. The latter's acceptance of the terms laid down by the Japanese General at Tsinanfu has caused chagrin amongst the hotheads both here and in Canton, and Chiang is no longer the popular hero. Reports from the North suggest that there is much dissension in the Nanking camp. The resignation of the Foreign Minister, Hwang Fu, has led to a distinct cleavage, as none of the candidates for the office can obtain the support of any but a small clique. There is now some talk of recalling Dr C. C. Wu, but as he is now nursing his injured feelings in America, it is unlikely that he will return. Now that Chiang Tso Lin has gone from the scene, it is most unfortunate that the Kuomintang is divided. So long as the Nationalist forces were co-operating with the Christian General and Yen Hsi Shan, there was every possibility of the Kuomintang obtaining effective control of Peking, and so obtaining the prestige attached to the metropolitan seat of government. At present it looks

very much as if the Kuomintang has been "dished" by the Christian General, and the prospect of Peking coming under the rule of a powerful organisation, backed by the majority of articulate members of the Chinese race, is clouded by the petty quarrels and individual self-seeking of the Kuomintang leaders. A unified China seems further off than ever, and will not be brought nearer until party leaders place the interests of their fellow countrymen before personal ambition. In the meantime trade is being carried on in the face of many difficulties. The southern provinces have been free from civil war for over a year, and, with harmony between Hongkong and Canton restored, there was every hope that by this time a revival of business would have set in. All branches of trade are in a state of stagnation. The cause is the accumulation of all the disastrous effects of the past few years' turmoil which has brought about economic exhaustion. The Canton Government is doing its best to restore law and order throughout the two provinces under its nominal control, but it is hampered by lack of funds, and has the greatest difficulty in obtaining revenue for current expenses. The people of the south have been squeezed dry by the vicious methods of militarist tax-gatherers, and consequently the producer has no capital to develop his land. So long as the export trade is paralysed the purchasing power of the consumer will continue to diminish, making the outlook for foreign trade very bleak.

Swiss Railways and Electrification.—Our Geneva correspondent writes:—At the end of last year 929 miles of the Swiss Federal Railways had been electrified out of a total network of 1,806 miles. During the month of May the Zollikofen-Biel (16 miles), Sargans-Chur (15 miles), Lengnau-Delémont (21 miles), Winterthur-Rorschach (44 miles) and Bern-Neuchatel (26 miles) sections have been electrified, thus bringing up the total to 1,051 miles, or about 57 per cent. of the total network. Switzerland occupies the first place among the countries which are electrifying their railways, Sweden coming out second and Italy third. At the end of 1927, a sum of £24,318,400 had been expended on electrification, and another £192,000 is to be expended in the course of the present year. The first stage of the electrification scheme adopted in 1913 and delayed until 1919 owing to the war will be terminated at the end of 1928, when a second stage will begin, in the course of which another 162 miles will be equipped with electricity within a period of seven years at a cost of £1,120,000. Electrification made it possible to increase the velocity of the trains and to improve the general service, and to realise important economies on coal. The decrease in the consumption of coal reached 450,000 tons in 1927. On the upkeep of locomotives and rolling stock and the wages bill, a saving of £68,600 was made in 1927, but this is estimated to reach £280,000 within a few years. Further economies will be made when the use of one-man-driven electric engines—30 of which are now in service—has been generalised. Thanks to electrification and to general increase in traffic, the financial situation of the Federal Railways has much improved last year, as shown by the accounts recently published. In 1927, the Federal Railways transported 111 million passengers as against 103 millions in 1926, and 17,800,000 tons of goods compared with 16,800,000 during the previous year. Receipts totalled £15,821,000 (£15,043,160 in 1926) and expenditure £10,046,000 (£10,122,000 in 1926), thus leaving a profit of £5,775,000, compared with £4,921,000 in 1926. These results would be very satisfactory indeed if the Federal Railways had not to repay an important debt due, on the one hand, to the losses sustained during the war and consequent economic crisis, and, on the other hand, for the electrification of the lines. At the end of 1927 the debt was £109,195,080, including £107,039,000 of loans, £34,200,000 representing the loans issued for electrification purposes. The service of the interest of the debt absorbs a yearly sum of £4,086,280, so that the 1927 accounts leave in reality a deficit of £383,174. The Board of Direction finds that despite the deficit, the situation has so much improved that it can contemplate the reduction of certain transport rates. That the improvement in the situation of the Federal Railways is continu-

ing is shown by the returns of the first quarter of the present year. During the first three months of 1928 the railways transported 27,597,000 passengers, as against 26,307,000 in 1927, and 4,474,000 tons of goods compared with 4,038,000 tons in 1927. Receipts totalled £3,617,000, as against £3,400,000 in 1927, and expenditure was £2,576,000, compared with £2,535,000 last year, thus leaving a profit of £1,041,000, as against £865,000 during the corresponding period of 1927. The improvement continued in May, when receipts totalled £1,338,000, or £89,000 more than in May, 1927, while expenditure was £836,200, or £44,800 less than last year, in spite of the increase in the officials' salaries adopted last autumn and applied as from May 1. The profit in May was therefore £502,000, compared with £447,480 in May, 1927.

Russian Crop Conditions.—The conditions index for June 15th, issued with accompanying comments by the Soviet Central Statistical Department, foreshadows somewhat better crops than in 1927, the yield of which, however, was smaller than that of 1926. In 1927 crop conditions deteriorated between May and harvest-time, but this year both winter and spring sowings are reported to have improved in the last few weeks. The comparative conditions index, which is based upon 100 = "average," shows for all cereals, winter and spring:—

	June 15, 1927.	June 15, 1928.
Whole Soviet Union.....	106	117
Thereof:		
Russian Republic.....	104	118
Ukrainian	112	114
White Russian	104	101

Whereas in 1927 winter crops were much better than spring, this year the order is reversed. Spring crops occupy about 60 per cent. of the area covered by all cereals. Their index condition on June 15th for the whole Union is returned at 127, as against 98 at the same date of 1927. The corresponding index figures for winter crops are 99 and 118; for the Russian Republic only (with Siberia), 98; for the Ukraine, 97. On the other hand, spring crops in the Russian Republic are returned at 130, in the Ukraine 122, and in the Transcaucasus 133. Taking winter and spring cereals together, the lowest figure falls to White Russia with 101, and the highest to the Transcaucasus with 131. In the official comment it is promised that the wheat crop will be larger than in 1927; the complete loss of part of the winter wheat in the Ukraine and North Caucasus has been more than made good, it is affirmed, by the good condition of spring wheat in the Union as a whole.

Cotton Trade Short Time.—Our Manchester correspondent writes:—Late last week there was a special meeting in Manchester of the General Committee of the Master Spinners' Federation to receive the result of the ballot on the proposal to run short time to the extent of 50 per cent. in the mills using American cotton. It was previously decided by the committee that the scheme should not be put into operation until the consent of 90 per cent. of the members affected had been obtained. It was announced that the necessary support had not been secured, but no details of the ballot were given. Since then, however, it has become known that the owners of 76.48 per cent. of the spindles voted in favour of organised short time, 12.03 were against, and no replies were received from 11.49 per cent. The committee, after giving the figures full consideration, resolved unanimously that the whole question of the present state of trade in the American section be referred back to the State of Trade Committee for consideration. This committee decided to make an appeal to the firms that had not replied and also to those who had voted against to give the matter their further consideration, and another meeting of the committee will be held at the end of this week, when it is expected that the figures will then show that the owners of more than 90 per cent. of the spindles are willing to restrict output by 50 per cent. It may be pointed out that at the moment production in this branch of the industry is about 70 per cent. of full capacity. The General Committee of the Master Spinners' Federation has recently given much attention

THE REVENUE.

I.—An ACCOUNT of the TOTAL REVENUE of the UNITED KINGDOM in the undermentioned period of the Year ending March 31, 1929, as compared with the corresponding period of the preceding Year.

	Quarter from April 1 to June 30, 1928, compared with the corresponding Quarter of the preceding Year.			
	Quarter ending June 30, 1928.	Quarter ending June 30, 1927.	Increase.	Decrease.
ORDINARY REVENUE.				
Inland Revenue—	£	£	£	£
Property and Income Tax.....	21,255,000	24,685,000	..	3,430,000
Super Tax.....	8,120,000	10,490,000	..	2,370,000
Estate, &c., Duties.....	18,500,000	16,520,000	1,980,000	..
Stamps.....	5,570,000	4,380,000	1,190,000	..
Excess Profits Duties, &c.....	210,000	540,000	..	330,000
Corporation Profits Tax.....	130,000	100,000	30,000	..
Land Tax, House Duty, and Mineral Rights Duty.....	..	..	..	..
Total Inland Revenue.....	53,785,000	56,715,000	3,200,000	6,130,000
Customs and Excise—	£	£	£	£
Customs.....	27,058,000	26,354,000	704,000	..
Excise.....	31,815,000	32,326,000	..	510,000
Total Customs and Excise.....	58,873,000	58,679,000	704,000	510,000
Motor Vehicle Duties (Exchequer share).....	2,500,000	1,418,956	1,418,956	..
Post Office (Net receipt).....	230,000	1,050,000	..	40,000
Crown Lands.....	6,059,216	5,156,475	902,741	..
Receipts from Sundry Loans.....	2,447,317	2,116,463	330,854	..
Miscellaneous—Ordinary Receipts.....	4,648,920	7,810,582	..	3,161,662
Do Special Receipts.....	..	..	..	..
Total Ordinary Revenue.....	128,543,453	133,216,476	6,587,595	11,260,618
SELF-BALANCING REVENUE.				
Post Office.....	12,900,000	12,850,000	50,000	..
Motor Vehicle Duties apportioned to Road Fund.....	4,117,000	2,404,044	1,712,956	..
Total Self-Balancing Revenue.....	17,017,000	15,254,044	1,762,956	..
Total.....	145,560,453	148,470,520	8,350,551	11,260,618
			£4,673,023	Net Decrease
			£2,910,067	Net Decrease.

II.—An ACCOUNT showing the RECEIPTS into and ISSUES out of the EXCHEQUER in the Quarter ending June 30, 1928, as compared with the corresponding period of the preceding Year.

RECEIPTS.	Quarter ending June 30, 1928.	Quarter ending June 30, 1927.	ISSUES.	Quarter ending June 30, 1928.	Quarter ending June 30, 1927.
	£	£		£	£
Balances in Exchequer on April 1—			ORDINARY EXPENDITURE.		
Bank of England.....	5,918,513	6,003,023	Interest and Management of National Debt.....	114,325,578	114,760,100
Bank of Ireland.....	404,112	456,633	Payments to Local Taxation Accounts.....	1,120,215	1,000,000
	6,322,625	6,459,656	Payments to Northern Ireland Exchequer.....	736,312	982,981
Ordinary Revenue, as shown in Account I.....	128,543,453	133,216,476	Other Consolidated Fund Services.....	519,256	1,022,811
Self-Balancing Revenue as shown in Account I.....	17,017,000	15,254,044	Total.....	116,701,361	117,765,892
Temporary Advances Repaid—			Supply Services—		
Under the Unemployment Insurance Acts, 1921.....	514,432	1,554,000	Army, Navy, and Air Votes.....	26,700,000	26,250,000
Money Raised by Creation of Debt—			Civil and Revenue Votes (excluding Post Office).....	48,678,100	48,955,500
(a) For Capital Expenditure Issues—			Total Supply Services (excluding Post Office).....	75,378,100	75,205,500
Under the Telegraph (Money) Act, 1925.....	2,550,000	2,500,000	Total Ordinary Expenditure.....	192,079,461	192,971,392
(b) Under the Unemployment Insurance Acts, 1921.....	1,640,000	960,000	Sinking Fund.....	16,266,523	9,564,610
(c) For other Issues—			SELF-BALANCING EXPENDITURE.		
By Treasury Bills.....	580,652,000	575,313,000	Post Office.....	12,900,000	12,850,000
By 4% Consolidated Loan.....	..	41,045,202	Road Fund.....	4,117,000	2,404,044
By National Savings Certificates.....	10,300,000	8,500,000	Total Self-Balancing Expenditure.....	17,017,000	15,254,044
By National War Bonds.....	10	..	Temporary Advances—		
By 5 per Cent. Treasury Bonds, 1933-35.....	58,235,113	..	Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904.....	18,458	18,458
(d) Ways and Means Advances.....	210,150,000	179,930,000	Under the Unemployment Insurance Acts, 1921.....	1,640,000	960,000
Repayments—			Issues to meet Capital Expenditure—		
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921.....	31,767	36,856	Under the Telegraph (Money) Act, 1925.....	2,550,000	2,500,000
			Unemployment Insurance Acts, 1921—		
			Repayment of Amounts borrowed.....	514,432	1,554,000
			Redemption of Debt—		
			Treasury Bills.....	526,940,000	599,175,000
			Principal of National Savings Certificates.....	10,750,000	9,600,000
			Principal of National War Bonds paid off.....	46,786,305	..
			Ways and Means Advances Repaid.....	198,850,000	130,751,000
			Old Sinking Fund, 1907-1908—		
			Issued under Section 9 of the Finance Act, 1908.....	1,000	..
			Balances in Exchequer—		
			Bank of England.....	1,991,127	2,048,272
			Bank of Ireland.....	552,094	372,458
				2,543,221	2,420,730
	1,015,956,400	964,769,234		1,015,956,400	964,769,234

Mem.—

	£	
Floating Debt outstanding March 31, 1928.....	688,790,000	
	June 30, 1928.	June 30, 1927.
Ways and Means Advances outstanding—	£	£
Advances by Bank of England.....	250,000	25,750,000
Advances by Public Departments.....	172,903,000	140,030,000
Treasury Bills outstanding.....	580,655,000	575,310,000
Total Floating Debt outstanding.....	753,805,000	741,090,000
Net Increase.....	65,015,000	

* Includes £6,000 the proceeds of which were not carried to the Exchequer within the period of the account.

Treasury, June 30, 1928.

Overseas Correspondence.

UNITED STATES.—WALL STREET AND POLITICS—SHARE MARKET RALLY—DEAR MONEY—INDUSTRIAL ACTIVITY—BROKERS' LOANS—FRANCE AND GOLD.

(FROM OUR CORRESPONDENT.)

NEW YORK, June 27.

THE present week has seen a rather remarkable reversal in the share market. Oddly enough the present show of strength has coincided with the meeting of the Democratic convention, and the assurance that Governor Smith will be the Party's nominee for the Presidency. It will be recalled that the Republican convention and the nomination of Hoover coincided with the most severe break in the market that has occurred in over two years. Quite possibly these circumstances give support to the theory, which is now generally held, that politics do not make economic conditions, but that economic conditions make politics, as it has been traditional to connect the Republican Party with business interests and financial confidence. Or it may be that the market's attitude in part reflects the personal popularity of the two candidates. However this may be, one may note that the division of business men on political lines no longer is as sharp as it formerly was, many of the biggest industrialists in the country now belonging to the Democratic Party. Mr Raskob, of the General Motors Corporation, for example, is an ardent Smith supporter. And in passing it may also be noted that the Duponts are strong anti-prohibitionists. In addition, it seems clear that the Democratic platform will neglect the Party's traditional stand on the tariff, while its position on agricultural relief seems likely to include the promising to the farmer of tariff protection comparable to that extended to industry. Certainly, the platforms of the two Parties are coming to offer fewer and fewer differences in principles; and Governor Smith assuredly can be classified as a Conservative rather than a Radical. It now seems likely that the Democrats will make their campaign on Republican "corruption," farm relief, and quiet witness, while the Republicans will rely on prosperity and promises of farm relief. In both cases, the ideas on farm relief are nebulous, and, perhaps, lacking in sincerity.

In any event, the market has rallied strongly this week in the face of dear money. To-day's renewal rate for call money on the Stock Exchange of 7 per cent. was the highest since 1921, and the later rate of 7½ per cent. set a new high record for the same period. Stocks nevertheless went ahead aggressively, Steel common rising from the low of a few days ago of about 132½ to 138, and General Motors rising to 180 as against its recent low of 169½. The development furnished a substantial surprise, and in addition to drawing comparisons with the market's action during the Republican convention, made many observers meditate on the magnitude of the short interest and the strength of underlying investment demand. Possibly anticipations of the very large July 1 interest and dividend distributions may have been a factor in the buying. In conservative quarters it is still felt, however, that the market cannot make headway against dear money, and that while the turn of the month and the passing of the July 4th holiday will bring a slackening in interest rates, it will not be a large one. Industrial news, meanwhile, continues rather good. Steel production is holding up very well for this season of the year, with the average for the industry in the neighbourhood of 75 per cent. of capacity. Steel prices still show no rallying power, and iron prices remain weakish; but this is hardly the time of year for a rally in these commodities. Some of the automobile factories have suspended production in order to bring out new models, and Ford is still having trouble in getting into large production. The automobile business in general, however, is considered good. Railway car-loadings have about caught up with the level of a year ago, and the earnings of the carriers should now make more favourable comparisons with those of a year ago. Altogether, industrial activity has held up very well into the summer.

On the financial side of the picture the brokers' loan

Co-operative Wholesale Trade.—Evidence of the continued growth of co-operative trade (writes a correspondent) comes in the account of the Co-operative Wholesale Society to be submitted to the delegate meetings at the end of the month. These deal with the 13 weeks ended April 14th, and show sales of £21,115,201, an increase of 11½ per cent. This represents a turnover of more than a million and a-half a week. One-third of this consists of productions from the society's own factories. Of the total of £7,388,219 productive supplies in the quarter over £2,500,000 was for the eight flour mills. The production included 979,393 sacks of flour and 718,874 sacks of offals, the former figure affording some idea of the influence of the C.W.S. in maintaining the bread supply of the local retail societies. The other main contributors to the seven million productive output were the jam, soap, tobacco, margarine, and boot works. In practically all the factories and mills increased trade has been reported, and the committee are assured of a successful half-year when the results of the second quarter are known. On July 15th the new pension scheme for employees will come into operation, superseding the C.W.S. Employees' Thrift Fund. The latter was commenced in 1908, at the end of which year it had 7,970 members, with a credit balance of £24,244. This is now £1,645,026, credited to 27,413 employees. The banking operations of the C.W.S. continue to expand, the deposits and withdrawals during the first quarter of 1928 being £179,207,861, an increase of 4½ per cent. There are now 8,600 trade union branches with current accounts. Owing to the development of the business of the Metropolitan societies and the introduction of mutuality clubs and schemes of hire purchase, the increase of trade has been most pronounced at the London branch, and the turnover of the London and Newcastle branches together has come nearer to that of the Manchester headquarters than ever before. This is one of the striking features of present-day co-operation. In many Northern centres the co-operative society has long held sway in dominating the supply of foodstuffs; in the South the recent rapid advance is due to the vigorous policy of newer societies, which, striking fresh methods, are now rivaling those of the North in their trade and outlook. This is inciting the committees of the latter to enter into departments they had inadequately advanced, and the movement as a whole has been stimulated to a trading activity which may have the effect of raising the sales of the C.W.S. to within reach of £100,000,000 for the year 1928.

A Jubilee and Its Celebration.—We take this opportunity to felicitate our contemporary the *Statist* on its completion of 50 years of a career in which the best traditions of financial journalism have been consistently maintained. We also offer our congratulations on the Special Number with which the jubilee is celebrated. We may be forgiven, perhaps, for regarding the occasion with something of a parental interest, for those who stood sponsor for the child that has now reached so dignified an age imbibed the spirit and the tradition, which they inspired, in the office of the *Economist*. The Jubilee Number is worthy of the occasion. Among those who contribute articles are Sir Josiah Stamp, Lord Melchett, Mr Snowden, Mr Sidney Webb, Professor T. E. Gregory, Professor Seligman, and many others; while much interesting statistical and historical matter is given covering the 50 years of the *Statist's* life.

statistics of last week showed a reduction of \$158,000,000, this bringing the reduction for the two weeks since liquidation started to nearly \$300,000,000. However, it is pointed out that even if the level of prices undergoes no further radical reduction, the level of brokers' loans is likely to sink materially lower, this having been the experience after the March, 1926, reaction in the share market. Last week's Federal Reserve statements showed some contraction, with the total volume of credit extended \$70,000,000 lower at \$1,438,000,000. This total is, however, \$446,000,000 larger than that of a year ago.

The French return to the gold standard is generally praised here, emphasis being laid on the fact that France needed no assisting credits, on the abandonment of a legal limit to circulation and on the relinquishment of bi-metallism. The present plan is thought adequately to top off the extraordinary demonstration of national financial vitality that has been given during the past twenty-three months. It also is thought that gold exports may be over for the time being. Whether, later on, part of the gold already shipped to France will return remains to be seen.

FRANCE.—M. POINCARÉ'S MAJORITY—STABILISATION EFFECTS—BANK OF FRANCE STATEMENT—DEBT SETTLEMENT PROSPECTS.

(FROM OUR CORRESPONDENT.)

PARIS, July 4.

FOLLOWING his success in securing the adoption of the stabilisation plan, M. Poincaré has obtained a further victory which it is generally agreed has smoothed the way for much useful legislation in the near future. Ten days ago bets were being freely offered and as readily taken that "Poincaré la Guerre" and "Poincaré la Ruhr," as the enemies of the Finance Minister delight to call him, would be thrown out of office in a fortnight.

The Ministerial declaration put forward at the opening of the session was found unsatisfactory both by the Marin Party among the Unionists and by the Left or anti-Poincaré wing of the Radical and Radical Socialist Party, the one finding it did not go far enough and the other that it went too far. Both asked for concessions that were unacceptable. M. Poincaré made it clear that unless he could be assured of a solid working majority (which must include "at least one-half of the Radical and Radical Socialist Party") that would give its whole-hearted support to the programme as a whole, his Cabinet would immediately resign and leave those responsible to face the rage of an indignant electorate as best they could. The threat proved sufficient. After much hesitation a vote of confidence in the Government's whole programme was passed by a majority of 451 against 120, with only 24 abstentions, the majority including 107 out of the 125 Radicals and Radical Socialists, while the bulk of the minority consisted of 96 Socialists and 10 Communists. By this vote M. Poincaré pinned down his majority for the whole Government programme—for the time being, at any rate—and assured at least a four-months' truce from Ministerial crises, until the summer holidays are over. By that time both new and old deputies will have resumed direct contact with their constituencies, and will be in a better position to gauge the path they should pursue in future.

Stabilisation has now been an accomplished fact for ten days, but its only outward sign has been a manifestation of surprise by the untechnical public that the only visible change has been a modification of the weekly Bank of France statement. The plan, as a matter of fact, was so worked out that its adoption involves no juridical problem. Many people assume that the reform must obligatorily involve a revision of balance-sheets, but this is unfounded. In Germany, where the mark lost its entire value, drastic revaluation was imperative; every old account had necessarily to be wiped out and entirely new ones established. In this country, however, where currency reform has been based on a co-efficient of 5, revaluation of balance-sheets has not been rendered compulsory, either by law or otherwise, any more than it was in Belgium, where the basis of reform was the co-efficient 7. In France the need for revaluation of assets

and liabilities will depend entirely upon the special circumstances of each case.

Much will depend upon the attitude taken by the revenue authorities, who in this, as in other countries, are nowadays far too prone to be arbitrary against the taxpayer. Innumerable cases are already on record here in which the fiscal authorities have insisted on manufacturers revaluing their stocks for the purpose of calculating profits, while at the same time requiring them to estimate the depreciation of their plant on its actual cost price, rather than on the basis of its cost of replacement. This one-sided system of requiring revaluation when it is for the benefit of the revenue authorities, and refusing to allow it when it would be for the benefit of the taxpayer, has already led to calls for administrative measures, which the business community confidently expects M. Poincaré to take.

Henceforward—as France possesses no system of national bookkeeping worthy of the name which would enable a plain weekly statement of revenue and expenditure, &c., to be published, as in England—the Bank of France weekly statement will constitute, as in the past, the only source of information as to the country's financial situation. This statement is in future to be published in much simpler and clearer form. It will appear on Thursdays, as before, but will disclose the situation both at the head offices of the Bank and at its 300 branches only down to the previous Saturday, whereas it previously gave the head office situation down to Wednesday night. The Bank's complete balance-sheet will in future be published only once a year (in the report of the year's operations). The outstanding feature of the new form of statement is that it shows at a glance the actual cover in hand in gold metal against the Bank's sight engagements (notes and creditor current accounts). This cover, under the new law, must consist of at least 35 per cent. of the total notes in circulation and current accounts open. Under this arrangement, the old provision fixing a legal maximum to the note issue has automatically disappeared. The total cover for the note issue disclosed by the first of the new statements amounts to 40.45 per cent., if the strict terms of the law be followed. As a matter of fact, if we add to the 28,943,000,000 of yellow metal actually in the Bank's vaults the 15,984,600,000 of sight balances abroad, it is found that the cover actually available against 58,772,000,000 of notes (leaving the 12,757,000,000 of current accounts out of the calculation, as being more than covered by other liquid assets) works out at well over 75 per cent.

One item in the statement which appears to have puzzled many people is that included among the assets as "non-interest bearing loan to the State, 3,200,000,000." This item owes its existence, for one reason, to the fact that the State's debt to the Bank has now entirely disappeared, and is not, according to present intentions, to be revived. The power of the Treasury to borrow from the Bank, either up to a maximum legal limit, as in the past, or in any other way, has been very wisely cancelled out of existence. Henceforward, too, there is absolute divorce between the note issue and any actual or potential advances by the Bank to the State. At the same time, all risk of inflation, either on the part of the Bank itself or in compensation for advances made to the State, has been rendered impossible by the automatic play of the law stipulating that every note issued shall be covered by gold to the extent of at least 35 per cent. In these circumstances it was realised that it would be necessary to give the Treasury, now shorn of its borrowing powers, a margin of ready money to meet the customary emergencies due to fluctuations in the recovery of taxation. Article 7 of the new convention between the Government and the Bank, therefore, provides that "From the promulgation of the present convention.....the Bank of France shall accord to the State a loan without interest of 3,000,000,000, of which the total shall be immediately placed to the credit of the Public Treasury's current account." As a guarantee for the reimbursement of this loan a Treasury bond, maturing on December 31, 1945, shall be handed to the Bank of France." It will be remembered that, in the old statement, there was for many years an item of "permanent advances to the State, 200,000,000," representing (originally 40,000,000) non-interest bearing loans made by the Bank to the State for

agricultural loans, banking, and similar purposes. This 200,000,000 is now carried in the statement with the new loan of 3,000,000,000, although still retaining its original individuality.

The scheme for the extinction of the 5,930,000,000 of Treasury Bonds (the "Russian Bonds") that have been passed on from the Bank to the Caisse d'Amortissement provides for the payment to the Caisse from the Budget of an annuity equal to 1 per cent. of the bonds still awaiting amortisation, of the profit arising from the new silver currency, and of other resources, including the somewhat shadowy one represented by the possibility of an eventual recovery of some part of the debt from Russia itself. In exchange for these Treasury Bonds, the Caisse d'Amortissement has handed over to the Bank an equivalent amount of specially created three-months' bonds of its own, to the value of 100,000 each, which the Bank is empowered to use as it thinks fit for the purpose of regulating credit on the open market. The difference between the selling price of these bonds and their repurchasing or redemption price will be borne by the Bank. These Bons de Caisse will be extinguishable *pro rata* with equivalent amounts of the Treasury Bonds behind them.

In authorised circles it is considered that stabilisation has brought French acceptance of ratification of the London and Washington debt agreements appreciably nearer. Candid critics take the view that it will not be possible, in view of the facts disclosed as to France's real situation during the past few months, any longer to argue that this country is not in a position to pay her foreign debts. It is also realised that, in view of the maturity next year of the \$420,000,000 bill owing for the American war stocks purchased by this country, it would be folly to risk having to be called on to pay the whole amount at once, which would involve raising a loan at probably 5 per cent. at least, whereas by accepting the Berenger-Mellon agreement this country would be able to pay off the \$420,000,000 by instalments spread over 62 years at a cost of only 2 per cent. for interest. A new factor in the situation, which calls for speedy settlement of the debt question, is that, although the agreement has been ratified by the United States Senate, it has not yet been dealt with by the Lower House. As the powers of the latter expire with the end of the current year, the whole matter would have to be taken up with the United States Government *de novo*, if a definite settlement is not arrived at within the next six months. In such a case France would have to deal with an entirely fresh United States Administration, which might demand quite different terms of settlement, which are unlikely to be more favourable than those now acceptable.

GERMANY.—FINANCES—CREDIT PRICES—INDUSTRY—MAY FOREIGN TRADE—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, July 3.

RECEIPTS from taxation in May totalled 647 million marks. In the first two months (April-May) of the financial year receipts from taxation were 1,531½ million marks out of an estimated 8,862 million marks in the whole financial year; receipts from the controlled revenues, 420 million marks out of an estimated 2,760 million marks. The Finance Ministry's return of receipts (from all sources) and of expenditure in the two months shows:—Ordinary revenue 1,636.9 million marks, expenditure 1,509.3 million marks, surplus 127.6 million marks; extraordinary revenue 0.8 million marks, expenditure 79.7 million marks, deficit 78.9 million marks. Including credits of 647.1 million marks carried over from 1927-28, the ordinary Budget surplus is 774.7 million marks; including 430.3 million marks debit carried over from the same year, the extraordinary Budget deficit is 509.2 million marks. The combined ordinary and extraordinary account at the end of May, therefore, shows a surplus of 265½ million marks (as against 217 million marks at the end of April).

A return compiled by the Inter-Municipal Congress estimates the long-term indebtedness of all towns with populations exceeding 25,000 (Hanse cities excepted) at

National Bank of Commerce in New York

Chairman of the Board
JAMES S. ALEXANDER

President
STEVENSON E. WARD

Capital Paid up	\$25,000,000
Surplus	\$40,000,000
Undivided Profits	\$5,000,000

The National Bank of Commerce in New York places complete banking services at the disposal of its customers throughout the world, bringing them into contact with all phases of commerce and industry in the United States.

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2,012.2 million marks, or 89.38 marks per head of population. Of this sum, 614.7 million marks is foreign debt. There is a further long-term debt estimated at 691.7 million marks for valorisation of paper-mark liabilities. This brings the total long-term debt up to about 2,700 million marks, or 120 marks per head. In 1913 the long-term debts of the same classes of towns was 6,200 million marks, with a present value of 9,300 million marks (450 marks per head). Owing to the great rise in interest rates, a comparison of the current burden upon the debtor towns now and before the war is much less favourable than a comparison of the capital indebtedness. The short-term debts of the same cities are estimated at 665 million marks.

The demand for day loans and contango credits at the end of June was exceptionally large. On June 30th day loans rose to 8½-10 per cent., and money first became easier to-day, being quoted at 7½-9½ per cent. The private discount rate was yesterday reduced from 6½ to 6¼ per cent. The French franc stabilisation has had no visible effect upon German markets, but the sharp rise in New York money rates caused some nervousness, and last week the commercial banks showed a reserve which cannot be entirely explained by the need to show a favourable degree of liquidity at the end of the half-year. The withdrawal of American funds from Germany seems to have been small, and the effect upon the exchange market was at first weakened by new long-term American loans. To-day, however, the dollar exchange rose sharply to 4.1885, as against a lowest recent point of 4.1825 on June 26th. The reduction of the Reichsbank's discount rate is again being discussed. The Bank's return for the third week of June showed, with discounts of 1,861 million marks, a low record in the decline which has been going on since the end of last year. June, however, is normally a month of relaxing credit demand, and it is hardly likely that the Bank will change its rate at a time when money in New York is exceptionally dear, and when Germany's short-term indebtedness is very large. The Prussian loan of 80,000,000 marks, of which 50,000,000 marks was taken up by a banking

syndicate, has been successful. According to the *Vossische Zeitung*, a part was privately taken up by London financiers. Foreign loans contracted in June totalled 249 million marks, as against 431 million marks in May. In the first half of 1928 foreign loans totalled 1,126 million marks, as against 266 million marks in the corresponding half of 1927, but the figure of the second half of 1927 was not reached. Of home loans the Prussian is the only one recorded. Home loans in the first half of 1928 totalled 903 million marks, which is not far short of the 937 million marks total of all 1927. A considerable part of this year's reichsmark issues were bought directly by foreigners; but the 903 millions home-loan total does not include mortgage-bond and certain other issues, which are estimated at 950 million marks.

The Ministry of Labour reports that 3,200 million marks were invested in house construction in 1927, of which 1,500 million marks were supplied from public funds, as against 2,400 million marks, whereof 1,480 million marks out of public funds, in 1926. The largest source of public funds for house construction is the house rents tax (850 million marks in 1927). This tax takes from landlords a part of gross rents, which formerly went for service of mortgages, now reduced to 25 per cent. of their pre-war gold value. The monthly balance-sheets of the Berlin great banks for May 31st show an increase in deposits from 8,617 to 8,725 million marks. The balance-sheets, for the first time, reflect the weakening of trade in shape of a decline in credits. The decline, however, is small. Discounts fell from 2,228 to 2,190 million marks, and current account credits from 4,514 to 4,487 million marks. Contango credits and advances on securities increased from 635 to 710 million marks. The percentage of liquid assets to liabilities was 56.3, as against 55.7 on April 30th.

Bankruptcies slightly increased in June. In the first half of 1928 bankruptcies numbered 4,416, as against 2,899 in the corresponding half of 1927; compositions 1,614, as against 725. The cost-of-living index number for June is 151.4, as against 150.6 in May. The June figure is the highest yet reached. The wholesale prices index number for June 27th is 141.0, the same as in the preceding week. This index shows a distinct rising tendency. The lowest figure of 1927 (monthly index), 134.8, was in April; the highest figure since then was 141.2 in May this year. The reports for June of the Prussian Trade Ministry and of the manufacturers' associations show that the setback in trade is continuing, though at a slow rate. Of the heavy industries only lignite and potash continue to flourish. The heavy iron and machinery branches are still fairly well occupied, but new orders come in slowly. The chemicals branch reports for the first time a certain weakening. The electro-technical branch is well occupied, also the paper branch. The woollen industry is weaker, and the cotton, both spinning and weaving, unsatisfactory. The linen branch complains of bad business and of reserve on the part of the buying public.

Ruhr coal production continues to decline. Average daily output in the last four reported weeks varied between 343,000 and 358,000 metric tons, as against over 400,000 tons in the first weeks of the year. Coal production in May in all Germany was 11,931,733 tons, as against 12,297,382 tons in May, 1927; production in the first five months, 64,111,172 tons, as against 64,236,864 tons. Lignite production continues to increase, output in the five months being 67,321,374 tons, against 60,979,552 tons. Ruhr Syndicate sales in May show a particularly heavy decline in the "competition districts." Home prices for iron and steel will be maintained unchanged in July. The home steel market is quieter as result of a declining demand from engineering concerns. The best home business is that done in bars, the delivery term for which is around two and a-half months. The steel export market has weakened, and German exporters have followed French and Belgian by slightly cutting their prices. The May output of pig-iron, ingot steel, and rolling-mill products was below that of May, 1927. Comparative production figures for the first five months are:—

	January-May.	
	1928.	1927.
Pig-iron	5,565,030	5,297,474
Steel	6,615,977	6,625,147
Rolling-mill products	5,197,954	5,228,571

The import surplus of May declined, being (gold and silver omitted) 192 million marks, as against 251 million marks in April and 496 million marks in January. Exports fell together with imports, though by less. After the very big rise in exports which began in July, 1927, the export development of the last two months has not been quite satisfactory, and in May there was a considerable decline in exports of raw materials. Exports of silk and artificial silk, of toys, and of paper increased, but there was a big drop in exports of furs, cotton cloth, and textile machines.

The Bourse last week was undecided. Favourite potash, artificial silk, electrical, and cellulose stocks rose, but the less active stocks mostly declined a little. On Monday stocks were firm and trading was more active, but Tuesday witnessed a general decline, which was induced by the rise in American money rates and the weakness of Wall Street. Some of the favourite stocks lost heavily. The *Frankfurter Zeitung's* stock index (basis 100 as average of all 1926) shows for June 29th 146.10, as against 145.56 one week earlier and a high point of 177.46 on May 2, 1927.

AUSTRIA.—THE POSTPONED LOAN—REVENUE AND TAXATION—TRADE TREATIES—FOREIGN TRADE—SAVINGS BANK.

(FROM OUR CORRESPONDENT.)

VIENNA, June 27.

THE worst disappointment which Austria has suffered during the last few weeks is the indefinite postponement of the investment loan. This has killed all hope that the emission of the loan will take place this year. The Finance Department must, therefore, get along with the means at its disposal, which, fortunately, include very considerable funds in cash. It will probably be necessary in autumn to make use of the permission to issue 75 millions of Treasury bonds, if it is not desired to make too large a cut in the investment programme. At the moment the representatives of the Government give the assurance that it would still be possible to make the investments without the loan. It would, however, perhaps be necessary to draw on the Treasury bonds for investment purposes, refunding later out of the proceeds of the coming loan. But the first effect of this course would be that the Government would not be in a position to reduce taxes, as was contemplated. In the first quarter collection was very favourable. Revenue amounted to 313 million schillings, expenditure to 262.3 millions, the result, therefore, being a surplus of 50.7 million schillings. As total investments during the first quarter came to only 40.9 million schillings, there was a net surplus of 9.8 millions. All the interested States, with the exception of America and Italy, have approved the arrangement in regard to the liquidation of the relief debts. This arrangement was all the more urgently needed, as the supreme accounting court also pointed out in its last report that Austria would simply not be able to meet the bonds maturing on January 1, 1943, which, together with interest, would have amounted to 2½ milliard schillings.

The political difficulties which arose out of the refusal of the Federal States to allow stricter financial control on the part of the Government have not yet been cleared up. The Federal States are not satisfied with the Government support offered to them, and do not consider that it would justify granting to the Minister of Finance greater influence on their budgetary affairs. The City of Vienna, which could well stand a diminution of its rates, still keeps them at the same high level. It has, however, made a slight concession in reducing the property appreciation rate. The revenue from this source, which amounted even in the year 1926 to about 8 million schillings, has receded to 6½ millions, and the municipality has been obliged to resign itself to further reduction. The magnitude of this

impost prevented all transactions in real estate, and for this reason the Social-Democratic administration was obliged to make concessions. The trade treaty negotiations with Germany and Yugoslavia will now follow closely upon one another. Austria wants Yugoslavia to consent to an increase of duty on livestock (cattle). The grain duty, too, will be raised from its present level of 25 gold heller to two gold kronen. Without consent from Yugoslavia, the new trade treaty with Hungary, which provides for such an increase, could not come into force, and Austria would be obliged to give notice of cancellation of the existing trade treaty with Yugoslavia. In exchange for this the Yugoslavian representatives demand greater protection against imports of industrial articles from Austria. In the trade treaty negotiations with Germany, Austria is working principally for export facilities for cattle and for a change in the timber duties. Economic relations with Germany are developing steadily, and there can be no mistake that those circles which not long ago refused as far as possible any *rapprochement* with Germany in economic and political affairs are now changing their views.

The Federal Railways this year show a more favourable balance-sheet than they did last year. There is a working surplus of 23.8 million schillings and a net profit of 153,045 schillings. Last year there was a loss of 9.5 million schillings. The decisive factor on the side of revenue was the increase in goods traffic; passenger traffic showed a 2½ million schillings reduction in income, due to the competition of motor-buses and to a short strike. At present unemployment is at its lowest level in Austria, as there are only 124,025 registered unemployed. It must be said, however, that this is only an improvement dependent upon seasonal work and preparations for a large influx of foreign visitors. It is estimated that the annual profit of Vienna hotels, restaurants, shops, and tradesmen from foreign visitors amounts to 36 million schillings. In anticipation of a big invasion of visitors, Austrian hotel-keepers have undertaken immense extension of their premises, and it is estimated that the orders placed by them, payable, however, in the course of a number of years, aggregate 40 million schillings. Contractors are complaining about the tardiness in the placing of municipal orders, and the restricted enterprise of the City of Vienna in house-building is also making itself felt among building contractors, particularly as the prevailing legal regulations and the increased cost of monetary accommodation make building almost impossible for private concerns.

In the last few days the Commission under the chairmanship of President Dr Reisch, of the National Bank, which had to consider the advisability of continuing the work of railway electrification, has brought its activity to a close. It appears that the commission has not arrived at complete agreement, but this is of no serious consequence, as, in view of the fact that the loan negotiations have been postponed, there is no possibility of continuing electrification. In reality, the task faced by the Commission is only a theoretical one. The exact figures of Austria's foreign trade for the year 1927 are now available. Imports, according to the statistics, amounted to 3,184 millions, exports to 2,098 millions, so that there was a deficit of 1,086 million schillings. A striking feature is the falling-off in transit traffic. In consequence of restrictions placed by Italy on the importation of foreign goods, this item has sunk from 38.4 million metric centners in the previous year to 36.1 million metric centners. On the other hand, Austrian exports to overseas countries rose from a value of 252 million schillings to 281 million schillings. Exports to North America showed the greatest accretion.

A very unfavourable impression is made by the recently published balance-sheet of the Post Office Savings Bank, for on regular business it shows a deficit of 11 million schillings, while it proved necessary, in addition, to write off a further 30 million schillings, partly because the losses on "Treuga," as also on the *Verkehrscreditbank*, were greater than had been estimated, and, finally, actual depreciation of the security holdings of the Post Office Savings Bank had also to be allowed for. Without doubt, the State will be obliged for a number of years to support the Post Office Savings Bank, for it is not in a position to show unaided a solvent balance-sheet.

ROUMANIA.—THE POLITICAL SITUATION—THE ECONOMIC CRISIS—CUSTOMS RECEIPTS—TREASURY SITUATION—HARVEST PROSPECTS.

BUCHAREST, June 28.

THE decision of the League of Nations referring the question of the Hungarian landowners back to the two countries concerned, Roumania and Hungary, for direct negotiation, is considered a great success for M. Titulescu, Roumania's Minister of Foreign Affairs, who represented this country at the conference. Furthermore, the success of M. Titulescu's foreign policy, the keystone of which forms the Little Entente, has been brought to the notice of the public by the recent visit of the Yugoslavian and Czechoslovakian Ministers to Bucharest. This statesman is, consequently, at present one of the most prominent figures in the country. All the more was his action commented upon when recently he visited M. Maniu, the leader of the Nationalist-peasant Party, who has sworn war to the knife with the Liberal Government. The visit was reported to have lasted three hours, and it is said that the Foreign Minister endeavoured to enlist the support of the Opposition for the foreign loan, the negotiations for which the Government is on the point of concluding. Whether M. Titulescu's persuasive powers have got the better of M. Maniu's so far entirely uncompromising attitude is not yet certain. The latest signs are against it. But it would be deplorable indeed if the Opposition, in this moment of Roumania's pressing need, should let the dictates of party politics override more moderate counsel.

The whole internal political situation turns at present round the stabilisation and foreign loan. The success of these measures would no doubt strengthen the Liberal Government under Bratianu. Their failure would probably render the position of the latter untenable. M. Titulescu has let it be known that his withdrawal from the Government would immediately follow the conclusion of the loan negotiations, or that he would take a long holiday in case the negotiations were adjourned. Although not a member of the Liberal Party, he lent his support to the Bratianu Administration when it was the question of forming a national Government after the death of King Ferdinand, and he has been a pillar of this Government, whose position would be sensibly weakened by his withdrawal.

General disappointment was caused by the refusal of Germany to come to terms with Roumania on the important outstanding questions between these two countries and to lend its support to the foreign loan and the stabilisation together with England and France. A feeling of uncertainty has prevailed ever since the failure of the negotiations of Roumania's representatives in Berlin became known. M. Bratianu has not yet declared his intention of abandoning his plan of calling Parliament together early in July for the purpose of passing the legislation necessary for the currency reform. Of course, the past delays in this all-important question, which from March until now has been put off almost month by month, do not inspire confidence. It caused almost a feeling of dismay when no pronouncement whatever concerning the loan and stabilisation was made after the last Cabinet meeting held on June 27th, and the belief is gaining ground that the matter will be adjourned till next autumn. This would mean a great loss of prestige for the Government. A change of Government now, however, could only result in an exceedingly unstable political situation the outcome of which, in view of the delicate economic state of the country at the moment, would be impossible to calculate.

But apart from these political considerations, an indefinite delay in obtaining the loan and effecting the stabilisation of the currency would jeopardise the future prosperity of the country, as without foreign help it would be impossible for a long time to come to relieve the economic depression, which has continued so long and has become so acute that its development into a crisis of first magnitude must be apprehended. The resources of the National Bank are strained. Its position is immobilised by long-term advances granted to meet the most pressing needs for credit facilities. Besides lacking the necessary capital, the trade and industry of the country are severely handicapped by the insufficient transport

facilities, which have not yet been adapted to the requirements of the country in its greatly enhanced size in which it emerged from the war. The trade depression has reached alarming proportions. Failures and moratoria abound, and among the firms affected are some of the best-known houses. Interest rates continue to be high, and cripple enterprise. Taxation is exceedingly heavy. A continuance of these circumstances must in the long run impair seriously the purchasing power of the country.

The Customs receipts for the months from January to April of this year compare very unfavourably with the figures for the same period of last year and with the Budget estimates. The following table shows the official figures of the Direction of Customs:—

	January to April, 1927. Lei.	January to April, 1928. Lei.
Import taxes	2,091,128,325	2,116,886,128
Export taxes	808,190,490	233,564,702
Various taxes	222,444,598	109,291,567
Total	3,121,763,413	2,459,742,397

The Budget estimates are as follow:—

	1927 (In Million Lei.)		1928	
	12 Months.	4 Months.	12 Months.	4 Months.
Import taxes	4,750	1,583	6,800	2,267
Export taxes	2,500	833	2,250	750
Various taxes	650	217	150	50
Total	7,900	2,633	9,200	3,067

It will be seen that, whilst the import taxes are practically the same in both years, the receipts for export taxes show a very marked fall. This is due partly to the reductions effected during the year, but it must be admitted that the principal reason is the serious falling off in the exports during the period under review. The receipts from various taxes are also considerably less than last year. Comparing the figures for the first four months of 1927 and 1928 with the Budget estimates, it will be found that in 1927 the receipts amounted to about 500 million lei more than the estimates, whereas in 1928 there is a deficit of over 600 million lei, about 500 millions of which are accounted for by exports and 150 millions by imports, receipts from various sources being about 50 millions to the good. Although it may be urged that the export trade is always much more active in the second half of the year, it cannot be denied that the figures are hardly encouraging when compared with those of last year, and that the position which they reflect must be mainly attributed to the great trade depression prevailing.

Similar conclusions may be drawn from the situation of the Treasury on May 31st last, which shows a total of receipts of 11,210 million lei and of expenses of 9,677 million lei for the first five months of the year. This means that the receipts for the period January to May, 1928, fall short of the proportionate amount of the Budget estimates by about 5,000 million lei. The first months of the year generally show a deficit, but that for the same period of 1927 did not amount to 2,000 million lei, so that the shortage of this year may be considered somewhat disquieting. The following figures show the monthly receipts for January to May for 1927 and 1928:—

	1927. Lei.	1928. Lei.
January	1,562	1,623
February	2,084	2,064
March	2,629	2,676
April	2,750	2,299
May	2,999	2,558

Thus, not only are the receipts in 1928 month by month less than those in 1927, except in January, but in the current year they do not show the steadily increasing tendency which is noticeable in 1927. To prevent a deficit at the end of the year it will be necessary to collect on the average more than 3,500 millions per month during the remaining months.

The harvest prospects are good on the whole. The cold weather in the spring has made the crops very late. There has been more hail than usual, but this has caused damage in restricted areas only, and should not be of great influence on the bulk. There have been abundant rains, and the dry weather which has set in of late should be of great benefit to the ripening crops.

AUSTRALIA.—BANKING IN AUSTRALIA AND NEW ZEALAND—A MELBOURNE LOAN—VICTORIA REJECTS WHEAT POOL.

(FROM OUR CORRESPONDENT.)

MELBOURNE, May 24.

THE principal totals of the quarterly average returns to March 31, 1928, of the twelve ordinary banks (exclusive of the Commonwealth Bank of Australia) relating to liabilities and assets within the six Australian States and New Zealand (but not including London figures) compare with those for the previous quarter, and the corresponding quarter of 1927, as follows:—

	March 31, 1927. £	Dec. 31, 1927. £	March 31, 1928. £
Deposits—			
Australia	266,889,423	265,263,262	277,216,177
New Zealand	48,624,084	47,475,991	52,336,872
	315,513,507	312,739,253	329,553,049
Advances and Securities—			
Australia	246,220,321	249,303,081	247,617,698
New Zealand	56,705,586	55,593,213	51,933,081
	302,925,907	304,896,294	299,550,779
Coin and bullion (A. & N.Z.)	35,083,651	33,880,137	33,822,915
Australian notes and cash with Commonwealth Bank	25,943,630	26,562,621	29,794,164
Legal tender notes of other banks (N.Z.)	221,974	207,020	164,559
	61,249,255	60,649,778	63,781,638

The Australian figures, taken by themselves, show that deposits have increased by £10,326,754 on the year, and advances and securities by only £1,397,377. As, however, securities are larger by £8,122,460 (as shown by a different set of returns), the actual movement in ordinary advances for the year has been a decrease of approximately 7 millions, against the increase of 10 millions in deposits. The position thus shows improvement as the outcome of the steps taken by the banks to check the growth of advances, and the tendency to overtrading which had become apparent. The decrease in advances has been accompanied by decrease in Australian imports during the last few months, and the consequent reaction in Customs revenue is giving rise to a new problem for the Commonwealth Treasurer, who will have to deal with a less buoyant state of Commonwealth finance at June 30th than in recent years.

The New Zealand figures show increase in deposits and decrease in advances for the past year, and both in this respect and in the balance between imports and exports the adjustment has been effected with more ease in New Zealand than in Australia.

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

	Mar. 31, 1927. £	Dec. 31, 1927. £	Mar. 31, 1928. £
Deposits	23,387,180	25,703,194	26,686,883
Savings Bank deposits	44,470,555	45,975,535	45,523,425
Balances due to other banks	7,851,013	10,606,769	12,707,186
Discounts, loans, &c.	17,318,146	21,621,802	23,309,112
Govt. & municipal securities	52,831,370	53,810,945	55,462,027
Coin and bullion	954,095	901,493	843,838
Australian notes	5,910,329	5,994,920	4,071,476
Balances due from other banks	1,504,332	101,107	103,431

While money has been somewhat more plentiful in Australia during the last few months, the outlook is for a good demand as usual during the winter, while the Commonwealth Government in addition has to provide for a 5 per cent. loan of £21,010,150 maturing on September 15th.

Exports of wheat for the present season will be small after the end of June, in contrast with the second half of 1927. The new season has made a favourable start with an increased area under crop; but while Victoria and New South Wales are looking well, further rain is now wanted in South Australia and Western Australia.

The Melbourne City Council has just issued locally a 5½ per cent. loan of £500,000 with 16 years' currency at par, which was oversubscribed, the total applications being £756,300.

The ballot taken by the Victorian Government amongst

the wheat-growers of this State on the question of a compulsory wheat pool has resulted adversely to the scheme, the voting being 5,923 against and 5,430 for the pool, the majority against it being 493. One drawback to the proposal would have been that it would have been of relatively small effect as compared with an Australia-wide scheme, which might enable prices for local consumption to be established on a high basis, with the help of the duty already existing, instead of on the basis as is obtainable for export. But schemes of this description, which are in successful operation for the benefit of Australian producers of dried fruits, butter, and sugar at the expense of Australian consumers, are beginning to arouse opposition, even in protectionist circles. On May 23rd Mr Watt, M.P. (formerly Commonwealth Treasurer), in a speech at Melbourne denounced the system of control which enables high local prices to be charged for butter and dried fruit. But this, from a protectionist politician, only tends to emphasise the fact that Australian protection is not intended for the benefit of country interests.

Letters to the Editor.

ISLAS DEL GUADALQUIVIR.

TO THE EDITOR OF THE ECONOMIST.

SIR,—May I be allowed to supplement my comments in your last week's issue on this company? My note was intended to show what are the potentialities of the concern, and consequently the value which the shares may ultimately be expected to attain. It would, however, be a mistake to draw the conclusion that the present value of the shares is already justified, and my observations should be read in the light of the following facts:—Taking the 200,000 founders' shares at 18½, which is the value placed on them in the market to-day, the market values the property at £3,700,000, plus £1,340,000 (the amount of the issued bonds and preference shares), or a total of over £5,000,000, of which only £1,340,000 has been subscribed in cash. In the chairman's speech it is stated that there is so far no fresh water on the property and that only 25,000 acres have been ploughed, out of which 12,000 have been sown. The land cost £405,000 for 144,500 acres. So the £5,000,000, which is the market estimate of the value of the property, is represented by 120,000 acres of untouched land plus 25,000 acres of cultivated, but not irrigated, land, plus the value of all the improvements made and plus the goodwill, which latter is represented by a skilled executive and influential directorate. But until there is fresh water available in bulk for irrigation it would seem that all the real value in the property so far does not exceed the sum which has already been spent on it, and that the founders' shares represent no more than the goodwill. Though this goodwill doubtless has a value, it can hardly have attained a value of £3,660,000 (i.e., the £5,000,000 at which the market values the property less the subscribed capital) in less than two years' time. But, of course, the advent of sufficient fresh water for irrigation purposes would alter the situation, and would cause the property to be worth much more than has been spent on it up to date. But no fresh water is there yet. This will be a very expensive undertaking. Until it is installed intending investors would be well advised to take a conservative view of shares which represent nothing but anticipated appreciation of land values.—Yours truly,

July 4th, 1928.

YOUR CORRESPONDENT.

Books and Publications.

THE FINANCE OF AMERICAN AUTOMOBILE PRODUCTION.*

"GIVEN the existing organisation of industry, and given a new important product, how have the producers of this product come to command the economic resources required for its extensive production?" The author, in setting out to answer this question, was wise to choose the American automobile industry as the basis of his study. In less than 30 years this industry has risen from nothing to the first place in value of products of all American manufacturing industries. It is thus a thoroughly representative example, and its development has taken place under the most modern conditions of financial and industrial practice. The latter fact is also responsible for the remarkably complete and up-to-date

* "A Financial History of the American Automobile Industry." By Lawrence H. Seltzer, Ph.D. 297 pp. Published by the Houghton Mifflin Company, New York. Price \$3.

statistics which make it possible to trace every stage in the development and every fluctuation in the prosperity of the industry. Moreover, since most of the pioneers of the industry are still living, the author has been able to obtain authoritative explanation of doubtful points and motives in the earlier stages, as well as the history of many important transactions which has hitherto been unknown.

To all those interested in the automobile industry this book will be indispensable. In spite of the statistical detail with which the history of the great automobile producers is traced, the author never loses sight of the importance of the personal factor, which in this industry above all others is paramount, and makes a study of absorbing interest. It will be no less valuable to the economist and the student of modern industry for the light which it throws upon the question of the mobility of capital.

In the eight companies which form the basis of his study, and which have a tangible invested capital of \$1,657,723,399, no less than 79.79 per cent., or \$1,322,752,071, represented the net aggregate profit reinvested in these concerns. The explanation is shown by the author to be that the automobile industry in its early stages was able to divert existing capital resources to its own use without the formal ownership of these resources. Virtually, all the components of automobiles were produced by existing enterprises—e.g., cycle, carriage and wagon factories, machine shops, &c.—and the sales of automobiles were effected by existing independent distributors—e.g., cycle distributors. The rôle of the producer was merely to purchase from the manufacturer on extended credit, assemble the components into complete automobiles in buildings more often rented than purchased, and sell to distributors, who paid cash immediately on delivery.

The new industry thus obtained the services, but not the ownership, of large quantities of capital. Their own initial capital contributions were at a minimum, and the capital burdens of the industry were transferred to independent concerns essentially outside the industry. The enormous profits of the automobile producer enabled him to build up a strong capital position and to acquire many of the concerns, originally independent, of which he had for long been the most important or only customer. Further, this was achieved without impairing cash dividend disbursements, which have been no less striking than the reinvested profits.

The author concludes that the development of the American automobile industry has been financed by the country as a whole through the more economic use of existing capital rather than through new savings and the diversion of capital from other products. He admits that this industry was particularly fortunate in the time of its development and the character of its product, which inherited an industrial technique peculiarly congenial to its requirements. At the same time he suggests that the distribution of capital burdens of particular industries involving a partial diffusion and effective reduction of risks is far more common than generally recognised, and accounts for a considerable measure of the actual mobility of capital.

It is clear at least that "in contrast with what has actually taken place, the development of automobile manufacture must have waited upon the direct commitment of large quantities of capital to the major risks of a new industry" but for this "indirect diversion of capital." It is clear, also, from the author's narrative that until quite recently there was no readiness to provide capital directly for such a purpose, although the event has proved that it would have been an admirable field for its employment. The absence of practices and institutions which ensure the adequate mobility of capital is not less marked here than in the United States. Mr Seltzer has extended the analysis of the mobility of capital to a point not previously reached, and has formally recognised one of its processes which is of major importance and general application.

THE ROMAN EMPIRE.

THE latest volume in the monumental series, "The History of Civilisation," which is now being published in France, England, and America, deals with "The Roman

"World."* It concludes the eight volumes devoted to the history of Rome, and completes a library of works distinguished by their careful scholarship, which cover between them the whole field of Roman history, religion, and art, political institutions, law and economic organisation.

The present volume is devoted to the provinces and provincial life in the Roman Empire, and has, therefore, to cover an extraordinarily wide field. M. Chapot is remarkably successful in his treatment of a subject which has found no general historian since Mommsen first took up the work, not without misgivings, over 40 years ago. In many respects he is more fortunate than his predecessor. During recent years archaeological research has unearthed much new material to which a wealth of monographs and specialist historical studies has been devoted. From them M. Chapot has composed a narrative which is entitled to special praise for the deft manner in which he has worked up such diverse materials into a readable consecutive whole.

The first two parts of the work are devoted to a rapid summary of the "Expansion of Rome" and the "Machinery of Local Government." The bulk of the book is contained in the third part, in which each province is dealt with in detail roughly in the order of their acquisition. This division leads to a certain amount of repetition, but it is justifiable on account of the multiplicity of facts and dates which call for mention.

The treatment which each province receives under such general headings as administrative divisions, local government and urban life, means of defence, administration of justice, economic resources, taxation and finance, Romanisation, &c., is unequal and varies naturally with the extent of the sources of our knowledge. The account of Egypt is thus one of the best in the book, and good also are the descriptions of Northern Africa, Syria, Palestine and the Gauls. The truth is that so little is really known of provincial life in the Empire (particularly of the life of the masses) that, as M. Chapot himself says, "it is doubtful whether any section of it will ever be revealed to us in its true nature." An immense amount of material is available, but from it we too often learn our ignorance. However, the broad lines of development stand out, and from these much can be gained.

The limited space at his disposal must have been no the least of M. Chapot's difficulties. His account of the provinces occupies about half the space which Mommsen, rejecting every literary embellishment, found necessary. It has, at any rate, kept him very closely to his theme, and the strict economy of language which has been essential will be apt to tire all but those with a strong interest in the story. That story has always had a fascination. Imperial defence, law, justice, the taxation, and civil administration of subject peoples are all living problems, and they will give an interest to the story so well told by M. Chapot that mere academic curiosity would never impart.

BOOKS RECEIVED.

[Brief mention of a book in this column does not necessarily mean that it will not receive fuller notice in a subsequent issue.]

Economic Essays. Contributed in honour of John Bates Clark. (London) Macmillan and Co., St. Martin's street. 17s net.

This is a valuable collection of essays by such distinguished economists as Professors Gide, Barnett, Carver, Paul H. Douglas, Irving Fisher, and Edwin Seligman. They cover a very wide variety of subjects, ranging from the Farmers' Indemnity to the Elasticity of Supply. There is an introductory essay on the late Professor Clark, by Professor Hollander; a bibliography of Professor Clark's writings, and an apparently verbatim account of the proceedings at the dinner in honour of his eightieth birthday.

America and the New Poland. By H. H. Fisher. (London) Macmillan and Co., Limited, St Martin's street. 15s net.

This is a detailed account of the rehabilitation of Poland, with special reference to the part played in her reconstruction by the United States. Three introductory chapters provide the necessary historical background, and the remainder are devoted to the period since 1914. The book is well documented, and has useful reference tables and a bibliography.

Economic Institutions. By Willard L. Thorp. (London) Macmillan and Co., Limited, St Martin's street. 6s 6d net.

* "The Roman World." By Victor Chapot. Translated by E. A. Parker. 8vo., pp. xvii., 435. Kegan Paul. 16s net.

Professor Thorp has contrived to touch, in very small space, upon a remarkable number of points, and the result is an introductory account of the economic structure of the United States which should be of value to all beginners, whether American or European. It would be of particular interest to the general reader who is not a student of economics.

Cours de Statistique. Par Albert Aftalion. (Paris) Les Presses Universitaires de France, 49 Boulevard Saint Michel. 40f.

This is a straightforward presentation of that part of the theory of statistics which is valuable to every economist. It requires no great mathematical knowledge, and does not presuppose an intention on the part of the reader of specialising as a statistician.

Annali di Scienze Politiche. (Pavia) Libreria Fratelli Traves Dell.

This includes articles on the Revaluation and Stabilisation of the Lira; Austrian Monetary Experience; and the Effect on Italians of the new French Nationality Law.

The Empire Cotton Growing Review, July, 1928. (London) P. S. King and Son, Limited, 14 Great Smith street, S.W. 1. 1s quarterly.

India's Currency Exchange and Banking Problems, 1925-1928. By Sir Jehangir C. Coyajee. (Calcutta) The Book Co., Limited. 2s 6d net.

A collection of articles previously published in various local newspapers, dealing, *inter alia*, with the effects of the stabilisation of the rupee at 1s 6d; the proposal for a gold standard; and the Report of the Royal Commission of 1925-6.

The Itinerary of Ludovico di Varthema in Southern Asia. By Sir Richard Carnac Temple. (London) The Argonaut Press, 11 and 13 Southampton row. 25s net.

This fine example of the printer's art is issued in a limited edition de luxe. It was translated in 1863 from the original Italian edition of 1510, and is now reissued by the Argonaut Press in its "Classics of Travel and Exploration" series.

The Hibbert Journal. July, 1928. (London) Constable and Co., Limited, Orange street.

Includes articles on "The Philosophy of Industry," and on "Industrial Ethics," the latter being by Professor Sorley. There are also contributions by Lord Haldane, Albert Mansbridge and Dean Inge.

Accountant. By M. Tuohy, with a Foreword by Professor L. R. Dicksee. (London) Gee and Co. (Publishers), Limited, 6 Kirby street. 5s.

The elements of accountancy are here set forth in a series of elaborate mnemonic rhymes, enhanced by illustrations. In some cases the rhymes would be much more trouble to commit to memory than the simple facts they are intended to convey.

A Budget Speech. By Gabriel Czechowicz. (Warsaw) Ministry of Finance.

This is the speech introducing the Polish Budget for 1928-29. Its tone is conservative and cautious, but far from pessimistic.

Chamber of Shipping of the United Kingdom. Annual Report, 1927-1928. (London) Chamber of Shipping of the United Kingdom, 28 St Mary axe.

The tables include analysis of tonnage under construction, both by countries and by classes of vessel; distribution of vessels by size and nationality; movements of shipping; value of imports and exports; a detailed analysis of the coal trade; and many miscellaneous statistics.

Report of the Superintendent of Insurance of the Dominion of Canada. For the year ended December 31, 1926. Volume II. Life Insurance Companies. (Ottawa) F. A. Acland.

Full statistics are given relating to the amount and kind of life insurance effected, in force, or terminated during 1926; the dividends paid to policyholders by each company in 1926; and the income and disbursements of all companies doing business in Canada for the years 1875-1926. There is also a summary of relevant legislation and legal decisions for the year. The annual statement of each company is published in full.

Super-Tax Tables, 1928-29. Compiled by H. J. Gully. (London) Gee and Co. (Publishers), Limited, Kirby street. 2s 6d net.

A useful reference table enabling the supertax payer to see at a glance the amount of supertax to which his income is liable.

The Bankers' Magazine, July, 1928. (London) Waterlow and Sons, Limited, London wall. 2s 6d net.

This number includes, besides the usual items, articles on the Government's scheme for rating reform; "Banking Reform in Greece," and "The Progress of Banking in Great Britain and Ireland during 1927."

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:—

Department of Overseas Trade: Report on Economic Conditions in Portugal, March, 1928. 1s 6d net.

Department of Scientific and Industrial Research: Co-operative Industrial Research. Preface by the Rt. Hon. the Earl of Balfour. 9d net.

THE STOCK EXCHANGE.

THE ABUSE OF THE 1s DEFERRED SHARE.

IN recent times the shilling deferred share has become an immensely popular method of finance. But it has a bad name—and not without due cause. There is hardly a gamble offered to the public in these days that is not served up in the form of preferred shares of £1 or 10s denomination with deferred shares of a denomination of 1s or 2s offered at par to subscribers of the preferred shares in varying proportions. The worse the security of the preferred share the more certain one is to find the 1s deferred share offered as a bait to catch the poor fish who feed in the flood-tide of new issues. The promoter of the gamble says, in effect, to the investing public: "We want your money for this wonderful new enterprise. We have no record of profits to show you, and we can, therefore, only offer you a third-rate security in the form of a preferred share ranking for, say, a cumulative 7½ per cent. dividend; but we will give you a slice of the deferred shares, which take the remainder of the profits. What security there is—and it is not much—you get; and if the company makes good, you share in the plunder." It must be confessed that the speculative public has greedily swallowed the bait of the 1s deferred share. The wildest gambles have been "fully subscribed" on this basis. The "stag" knows that dealings will start in the preferred shares at a considerable discount and in the 1s shares at a considerable premium. The latter usually outweighs the former and allows the "stag" to clear out with a profit. The market in the preferred shares remains flat and the gamble goes on in the deferred shares. Take, for example, a recent issue by a company which took over an existing manufacturing concern. The ordinary shares are at the moment quoted at 6s discount, while the 1s deferred shares are at a premium of 4s 3d. Obviously, if the deferred shares are worth a premium, the ordinary shares are worth at least par.

This illustration points to the real danger of the 1s deferred share—namely, that it may encourage gambling and hamper real investment. If new money has to be found for the expansion of trade and industry, it must be found out of savings. In other words, the genuine investor has to be attracted. But the genuine investor will hesitate to subscribe to a new company if he feels that his preferred shares are to stand at a heavy discount in the market when dealings start. It is no exaggeration to say that leading finance or brokerage houses are looking askance at issues consisting of preferred shares of £1 and deferred shares of low denomination because of this danger that the preferred shareholders will not get a fair chance in the market on account of the gamble that goes on in the deferred shares. There is no doubt that British industrial and other concerns are looking to the London market for the capital which they need to much greater extent than before the war, and the Stock Exchange can perform no greater service to the country than to act as the channel through which savings both small and great can flow into industry and trade. But if it is to do this it is essential that Stock Exchange valuations should be based upon the real merits of an undertaking, and not become the sport of an orgy of gambling. The 1s share unquestionably develops the speculative as contrasted with the investment aspect of Stock Exchange dealings, and for that reason its general use on every possible occasion, both suitable and unsuitable, is to be deprecated.

Moreover, it is painfully obvious that the practice of issuing 1s deferred shares lends itself to grave abuses. In the first place it encourages "pool" operations on the part of insiders. Assume, for example, that an issue is made of 300,000 preferred shares of £1 and 300,000 deferred shares of 1s, of which the public is entitled to subscribe for 150,000, and that the deferred shares open at a premium of 1s. The "vendors," or "insiders," who have been allotted 150,000 deferred shares have only to put up £7,500 in order to acquire half the remaining deferred shares. They are then in effective control of the market, and can put the shares up or down as they please. In other words, the 1s deferred share enables the

unscrupulous market operator at very little expense to work the market.

In the second place the 1s deferred share may be associated with an unreasonable distribution of rights. Private enterprise is based on the assumption that the man who risks his money is entitled to control and to the bulk of the profits. Why should it be the reverse when the public is the financier? Yet the public is often asked to subscribe cash for a speculative enterprise without getting either a fair share of the profits or effective voting control.

We do not by any means wish to imply that the issue of deferred shares of low denomination is always a reprehensible method of finance. The general conception that one set of shares should carry a much greater element of risk or of control than others is thoroughly well established and of proved merit. But it is liable to abuse. It may lead the investor to imagine he is buying a safe security, whereas he is really buying a risky one; he may be entering a market which is controlled for purposes entirely unrelated to the conditions in the industry concerned, and he is liable to find himself without the control he imagined he held over his own property.

With the object of throwing further light on this question we have analysed 48 new issues which have been made during the present year up to the end of May by companies whose capital consists of preferential shares and shares of low denomination. The total capital value created by these 48 new issues has been £16,629,351, of which the amount subscribed in cash was £14,029,171. We have ascertained (a) the amount subscribed in cash by the public and by the "vendors and friends," and (b) the proportions of the equity which accrued to the public and to "vendors and friends" respectively. By equity we mean balance of profits remaining after the fixed cumulative dividends have been paid on the preferred, and in some cases on the ordinary or deferred shares when these rank after the preferred for a fixed preferential dividend. We found as a result of this analysis that the public put up 93 per cent. of the cash required and obtained only 21.8 per cent. of the equity. Clearly this is a one-sided division.

It may be argued that the preferred shares rank first for a high cumulative dividend, and are not entitled to anything more. That would be true if the security behind them were above suspicion. The highest preferential dividend for any of these 48 companies was 10 per cent. and the lowest 7½ per cent., but these rates are in many cases a doubtful compensation for the uncertain nature of the security offered or for the minor share offered in the equity. Actually eight companies offered preferred shares with no participation in the equity, and only four companies offered participation as high as 50 per cent.

We have pursued another line of inquiry and analysed the division of profits anticipated in the various prospectuses of these 48 companies. We found that if these prospectus profits (estimated at £4,414,613 on a capital value of £16,629,351) were realised and distributed, the public would obtain 21 per cent. on their investment of cash, whereas the "vendors and friends" would obtain 46.5 per cent. on their investment of cash plus considerations (the cash being a negligible proportion of their total investment). If the companies did well, the ratio falling to the vendors would progressively increase with every increase of profit. Moreover, as the vendors acquired 78.2 per cent. of the equity expressed in the form of deferred shares their paper profits, having regard to the huge premium at which the deferred shares would then be standing, would be enormous. For example, in the case of one of the 48 issues analysed the vendors were allotted 1,770,840 ordinary shares of 1s., having a nominal value of £88,542. The net assets of the company were shown to be £143,272. At the present market quotation for the ordinary shares of 2s 6½d-2s 10½d, say 2s 8d, the ordinary shares of the vendors would now represent a market valuation in the neighbourhood of £235,000.

As regards voting power, we found that in these 48 new issues the public obtained 55 per cent. of the votes, but this does not mean that the public would have any effective control of the companies, seeing that the public investment is divided into small holdings which cannot readily be mobilised for voting purposes at general meetings. In other words, the effective voting control remains with the vendors and their friends.

Thus the figures clearly show that the practice of issuing deferred shares of low denomination has made it easy for the promoter, by appealing to the gambling instinct, to obtain money from the public without giving them a proportionate share of the profits or an effective voting control. It is well that those who form opinion in financial circles should realise just how far this tendency has gone, and that investors should be carefully on their guard to ascertain what proportion of profits and control they are being offered.

THE WEEK IN THE MARKETS.

SETTLING DAYS.

TICKET.	ACCOUNT.
July 10.	July 12.

Captain Lowenstein's violent death on Wednesday was public knowledge before the opening of Thursday's business, and an abrupt decline in the Lowenstein group of stocks followed an initial period of confusion, during which dealers refused to make any prices. The common shares of International Holdings slumped from an overnight quotation of 215 to 105, closing at 145, while Hydro-Electric shares descended from 51½ to 25, recovering later to 39. The incident recalled the tragic death of Mr James White, almost exactly a year ago. The close was firmer, the Advisory Committee of the two concerns issuing a statement in reassuring terms. Considerable liquidation of "Lowenstein" shares had already been effected in previous weeks—International Holdings had at one time been as high as 357, and Hydro-Electrics as 87—and while unfortunate repercussions in New York and many of the Continental Bourses were regarded as inevitable, it was hoped that any British losses which might occur would not be unduly serious. Markets earlier in the week had been distinctly quiet, speculative activity in New York having been restricted, partly by the Independence Day holiday, and partly by high call money rates, which at one time touched 10 per cent.

The gilt-edged market was quiet throughout the week, but the tone, if anything, was slightly firmer. The money market made good progress with the repayment of turn-of-the-half-year borrowings from the Bank, and though no change was made (or expected) in Bank rate, the monetary position as a whole was regarded as likely to remain easy for some time to come. The 3½ per cent. and 4 per cent. Conversion loans improved, and Funding loan was former, but 4 per cent. Consols remained dull on the expectation that holders of 5 per cent. Treasury bonds ("B") would exercise their forthcoming conversion rights into that stock on a substantial scale.

The foreign market was steady, and inclined to firmness, though French loans were dull, speculators finding little of interest in these issues now that the franc has been stabilised. Mexican bonds met with support on the presidential election result, and Brazilian issues were quietly steady. Prospects of stable political conditions in China again induced a slight improvement in Oriental stocks.

The home railway market, after a slight turn for the better in the latter part of last week (due to the favourable Parliamentary decision on all the companies' road Bills, except that of the Metropolitan) was again plunged into depression this week. The outstanding facts of the position are dealt with in a leading article and a "Note" in this number of the *Economist*, but, broadly, it may be said here, that the unbroken shrinkage in gross receipts—emphasised by the completion this week of a full half-year's figures—has inspired an attitude of some pessimism, and comparatively small offerings have thus a disproportionate effect on prices, Great Western, for instance, falling as much as 2½ on Tuesday. Underground Electric issues, by contrast, were strong on correct anticipations of an increased interim dividend. Foreign rails were

quiet, the Argentine returns making an indifferent showing. Canadian Pacifics were irregular, but closed stronger on Thursday.

The industrial markets were quiet, without being definitely reactionary, in the early part of the week, a certain amount of selling coming from the Continent, while New York was doing its best to maintain some sort of activity in the face of high money rates. The death of Captain Lowenstein caused a fall in Courtaulds, the Belgian financier having recently interested himself in the possibilities of that company's shares, and a number of the more active counters took on a reactionary aspect. In the case of Marconi's, an additional influence was the expected publication of the report of the Cable and Wireless Committee at the end of the week, but the tone on Thursday was strong. J. and P. Coats and other textile shares showed no marked reaction to the news of the settlement of the dyeing trade dispute. Iron and steel shares were consistently dull, investors taking little or no interest in this group. In the shipping group, P. and O. were better, but Royal Mails came on offer on the issue of £2,000,000 new debentures. Bournemouth and Poole Electrics were in demand in mid-week, and the report of Henley's Telegraph was well received. Swedish Match improved on the collapse of the protracted dispute in the iron trade of Sweden. Bank shares were easier in tendency, while some insurance descriptions were inclined to irregularity.

The rubber share market remained idle and featureless, investors, as in earlier weeks, being uninfluenced by the improving statistical position and steady price-level of the commodity. Business in tea shares was on a limited scale, the tone, however, being slightly better than last week, though a number of descriptions closed lower on balance. Oil shares were dull at the opening, though the market showed increased cheerfulness on Wednesday, when buying of Shells and Royal Dutch was in evidence.

The mining markets were affected by a general absence of enthusiasm. Kaffirs were particularly heavy, Sub Nigel displaying weakness—which proved contagious—on heavy offerings from South Africa. Tin shares fluctuated considerably, but evoked little outside interest. Rio Tinto was heavily offered from Paris, and later came within the range of stocks affected by the "secondary" effects of the Lowenstein tragedy. The West Australian group was dull. Lake View and Star rose on the receipt of a fresh cable, but the latter contained nothing startling, and the shares were subsequently realised on a considerable scale.

INVESTMENT NOTES.

The Slump in Home Rails.—At the beginning of this year the declaration of the dividends for 1927, which were, of course, based on much better results than those of 1926, and slightly better ones than those of 1925, gave a much-needed stimulus to the home rail market. But the recovery was short-lived, and from that time onwards there has been a steady falling away. Even early in the year the traffic returns began to show reductions below the level of 1927, and at the end of the half-year the total receipts for the big four are down by over £4½ millions, or 5½ per cent. The following are the detailed returns:—

HALF-YEAR TRAFFICS (in Thousand £).

	L.M.S.	L.N.E.R.	G.W.R.	S.R.	Total.
1927,					
Passenger	13,825	9,285	5,988	7,896	36,994
Coal and coke	7,561	6,732	3,380	863	18,536
General merchandise ..	16,156	11,728	6,015	2,261	36,160
Total	37,542	27,745	15,383	11,020	91,690
1928.					
Passenger	13,632	8,941	5,884	7,858	36,315
Coal and coke	6,730	6,374	2,987	723	16,814
General merchandise ..	15,051	10,973	5,680	2,080	33,784
Total	35,413	26,288	14,551	10,661	86,913
Reduction	2,129	1,457	832	359	4,777

These figures do not in themselves tell the whole story, for we do not know what savings in expenditure have been made to offset these reductions. But no one supposes that they can have been so large as the reduction in gross receipts, and there can be no question that for the first half of this year the net earnings, instead of showing the long-awaited improvement, must have fallen. Apart, therefore, from a temporary flutter when the Committee of the House of Commons reported the Road Powers Bill to the House in favour of the railway companies, the market has for long been lifeless. This week two incidents have occurred which have given a kick to the market on its downward path. The first was an announcement by Mr J. H. Thomas to the annual meeting of the N.U.R., that the railway companies have approached the railway unions for the purpose of discussing the present condition of the iron-road transport system with a view to co-operation and readjustment, so that the existing depression can be successfully overcome with the minimum of hardship. The second was a speech by Sir Felix Pole, the general manager of the Great Western Railway Company, who wrote in the company's magazine that "the situation in which the railway finds itself is the deepest concern of every employee. A continuance of falling revenues cannot be sustained without drastic and far-reaching economies in expenditure." The effect of these declarations upon the market is shown in the following table of prices of ordinary shares, which have fallen to a lower level than at any time since amalgamation:—

	March 1, 1928.	June 1, 1928.	June 20, 1928.	July 4, 1928.
L.M.S. ord. stock	72½	66½	63½	60½
L.N.E.R. pref. stock	38	31½	28½	25½
Do defd. stock	15½	14½	13½	12
G.W.R. ord. stock	102½	94½	90½	86½
S.R. pref. stock	79	74½	72½	69½
Do defd. stock	35	34½	33½	32½

Before taking too gloomy a view, however, of the situation, the preceding figures should be studied from the point of view of the prospect of recovery over a period of time. One interesting feature of the traffic returns is that passenger receipts have been comparatively well maintained. As regards the other two main classes, the recovery of the coal and coke trade depends mainly on trade conditions, while that of general merchandise largely depends on the ability of the railways to retain this kind of traffic against motor competition. It seems probable that the coal trade of this country will be carried on on a smaller scale than before the war, and, in any event, less fuel will be carried about the country for retail distribution. On the other hand, the grant to the railways of road powers should give the companies an opportunity of making a bid to recover some portion of their heavy losses under the heading of general merchandise. In this matter, however, the railways are late in the field, and it may take them some time to make their effort. Finally, holders of railway stocks should remember that the second quarter of 1928 has witnessed an unexpected stagnation of industry which has accentuated the more permanent difficulties with which the companies are faced, and that these may be expected to pass away.

Letters of Allotment and Regret.—The Stock Exchange Committee has discussed this week a question of some importance to the subscriber to new capital issues. A long-standing regulation provides that applicants for permission to deal in securities must undertake to post all letters of allotment simultaneously, the object of the rule being, of course, to ensure that all who have received allotments shall "start level" when dealings open in the market. The heavy over-subscription of a number of recent issues, from which the element of "staggering" has been by no means absent, has, however, raised the question of the best means of obviating hardship for the applicant who receives no allotment, but may conceivably wish to make an effort to secure stock immediately market operations begin. Some weeks ago the Stock Exchange Committee passed a new rule providing that letters of allotment and regret must be issued simultaneously. The rule, however, failed to obtain confirmation at Tuesday's

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
Conv. Loan 3½%	78	78½	+
Do 4½% 1934	98	98½	+
War Loan 5% 1929-47	101½	101½	..
Do 4% (tax free)	100½	100½	..
Consols 2½%	56½	56½	..
Do 4%	86½	86½	..
Funding 4%	90½	90½	..
Victory Bonds 4%	94½	94½	..
War Bonds 5% 1929	105	105	..
Local Loans 3%	65	65½	+
Treasury 5% (B)	101½	102	+
Palestine 5% 1942-67	104½	104½	..
S. Africa 5% 1945-75	102½	102½	..
Canada 3½% 1930-50	82½	82	-
India 3½%	71½	71½	..
Commonwealth 5%	93½	93	-
N.S. Wales 5½% 1922-32	100	100	..
N. Zealand 5% 1946	103	103	..
Victoria 5½ 1930-40	100	101	+
Nigeria 6% 1949-79	113	113	..

Foreign Government Securities.

Japanese 6% (1924)	100	101	+
Tokyo City 5½%	92	90½	-
Argentine 4% Reciss.	90	86½	-
Austrian 6% 1923-43	102	101½	-
Belgian 7%	110	109½	-
Brazil 5% Funding	90	90½	..
Bulgaria 7%	91	89½	-
China 5% (1912)	44	44	..
Egypt United 4%	84½	85½	+
Estonia 7% 1927	99½	97½	-
Finland 6% 1923	97½	97½	..
French 5%	19	18½	-
Do 4% (Brit.)	16	15½	-
German 7%	107	106½	-
Greek 7% Refugees	100	100	..
Hungary 7½%	103½	104	+
Chili 6%	99	99	..
Italian 5% (Marm.Ry)	71	70½	-
P.L.M. 6%	104	104½	..
Poland 7%	93	92½	-
Mexico 5% (1899)	42½	43	+
S. Paulo Coffee 7½%	107	105½	-

British and Foreign Railways.

G. Western Ord. Stk.	91	85½	-
L.N.E. Def. Stk.	123	11½	-
Do 5% Pref. Stk.	28	25	-
L.M.S. Ord. Stk.	63	60	-
Metropolitan Cons. Stk.	68½	68	-
Met. District Ord. Stk.	74½	76	+
Southern, Def. Stk.	34	32½	-
Do Pref. Ord. Stk.	72	69½	-
Underground Ord. Stk.	135	133	-
Do Income Bonds	121	128	+
Midland £1, fully paid	33½	33½	..
Nat. Prov. £20, with 4%	141	140½	-
Hongk. and S. (£125)	140½	140	-
Standard of S. Africa	15½	16½	+
Westminster £20, with 5%	20	20½	+

Banks.

Bank of England Stk.	264	265	+
Barclay B. (£1)	23	23½	+
Barclays (Dom. Col.	18	18½	+
Do A £1	38	38½	+
Lloyds £5, with £1 pd.	38	38½	+
Martins £1	38	38½	+
Mid. £12, with £2 pd.	94	94½	+
Do £2½, fully paid	98	98½	+

Insurance.

Alliance £1, fully paid	23½	23	-
Com. Un. £2½, fully pd.	28½	28½	..
London & Lancs. £5,	32	32	..
with £1 paid	32	32	..
N. British and Mer. £5,	36½	36½	..
with £1 paid	36½	36½	..
Royal Ex. £1, fully pd.	68	68	..
Roy. In. £1, with 10% pd.	92	92	..

Coal, Iron and Steel.

Babcock, Wilcox (£1)	38	38½	+
Baldwin (£1)	18	18½	+
Bentley (£1)	18	18½	+
Bolckow Vaughan (£1)	18	18½	+
Dorman, Long (£1)	18	18½	+
Edwin Clark (£1)	18	18½	+
Guest, Keen (£1)	18	18½	+
Powell, Duffryn (£1)	18	18½	+
Swan, Hunter (£1)	18	18½	+
Vickers (B) (£1)	18	18½	+

Textiles.

Courtaulds (£1)	48	48½	+
Fine Cott. Spinn. (£1)	28	28½	+
Listers (£1)	18	18½	+
Snia Viscosa (200 lbs)	18	18½	+

Electrical Manufacturing.

British Insulated (£1)	41	41½	+
English Electric (£1)	18	18½	+
General Electric (£1)	18	18½	+
Johnson & Phillips (£1)	18	18½	+
Metrol. Vickers (£1)	18	18½	+
Siemens (£1)	18	18½	+

Electric Light and Power.

Brnmeth. & Poole (£1)	18	18½	+
City of London (£1)	18	18½	+
Midland Counties (£1)	18	18½	+
Lancashire (£1)	18	18½	+
Newcastle (£1)	18	18½	+
Yorkshire (£1)	18	18½	+

Telegraphs and Cables.

Eastern	245	250	+
Eastern Extn. (£10)	241	241	..
Western (£10)	241	241	..
Marconi (10)	38	38	..
Marconi Marine (£1)	28	28	..
U. River Plate (£5)	118	118	..

Motors.

Austin, 20's	18	18	..
Dennis (1)	38	38	..
Leyland (£1)	18	18	..
Morris 7½ Cm. Pl. (£1)	18	18	..
Napier (£1)	28	28	..
Singer (£1)	28	28	..

Shipping.

Cunard (£1)	18	18	..
Furness Withy (£1)	18	18	..
P. & O. Defd. Stock	242	242	..
Royal Mail Ord. Stock	77½	75	-

Miscellaneous.

Assoc. P. Cement (£1)	18	18	..
Barker (John) (£1)	38	38	..
Braz. Traction, no par	59½	59½	..
Brit. Am. Tobacco (£1)	54½	54½	..
British Match (£1)	18	18	..
Carreiras, "A" Ord. (£1)	18	18	..
Columbia Graph. (10)	128	134	+
Duophone (10)	38	38	..
Forestal Land (£1)	18	18	..
Gas Lights & Coke (£1)	18	18	..
Gramophone Co. (£1)	11½	11½	..
Harrods (£1)	38	38	..
Hudson's Bay (£1)	65	65	..
Hud. Chemical (£1)	18	18	..
Imp. Chem. Def. (10)	18	18	..
Imp. C. Gas Stock	166½	166	-
Imperial Tobacco (£1)	54½	54½	..
Kreuger & Toli (Kr 100)	309	309	..
Lyons (J) (£1)	418	418	..
Manbre & Garton (£1)	28	28	..
Mond Nickel (£1)	18	18	..
Primitive Gas (£1)	18	18	..
Salt Union (£1)	28	28	..
Swed. Match B. (Kr 100)	228	228	..
Victor Talking, no par	89	90½	+
Vocalion (10)	218	218	..
Wallpaper, Def. (£1)	18	18	..
Watney Combe & Stk	306½	306½	..
Wm. Cory (£1)	28	28	..

Tea and Rubber.

Anglo-Dutch (£1)	18	18	..
Cons. Tea & Lads (£10)	418	364	-
London Asiatic (2)	18	18	..
Rubber Trust (£1)	18	18	..

Oil.

Anglo-Persian (£1)	31	31	..
Apex (Trinidad) (£1)	18	18	..
Burmah Oil (£1)	48	48	..
Lobitos (£1)	38	38	..
Mexican Eagle (£10/6)	18	18	..
Royal Dutch (£1)	33½	33½	..
Shell (£1)	54	54	..
Trinidad Leshlds (£1)	38	38	..

Mines.

Anglo-Amer. of S.A.(£1)	14	133	+	Lake View & Star (4)	38	38	—
De Beers Del. (£2½)	18	153	—	London Tin (£1)	38	311	—
Brakpan (£1)	418	448	—	Modder Deep (5/)	178	183	—
“Chartered” 75/ f.p.	18	182	—	Rio Tinto (15)	518	492	—
Burma Corp. (Rs. 10)	28	—	—	Kuao-Asiatie (2/6)	178	182	+
Central Provinces (£1)	38	518	+	Siamese Tin (5/)	178	182	+
Geduld (£1)	38	—	—	Sub-Nigel (10/)	38	378	—
Johan. Cons. (£1)	218	218	—	Tanganyika (£1)	218	218	—

meeting, an amendment being carried to the effect that where letters of regret could not be despatched at the same time as letters of allotment the issuing house concerned must advertise the fact in the public Press on the morning following the despatch of the allotment letters. This decision will come up for confirmation at a meeting of the Committee on Monday next. The amendment would seem to be a concession to the smaller issuing houses whose staffs are unable to cope with the work involved in a heavy application, the main argument in its favour being that it is preferable for unsuccessful applicants promptly to learn their fate through the columns of a newspaper than for the issue of allotment letters, and the beginning of dealings, to be delayed for one or more days pending the preparation of the necessary letters of regret. If, however, the Stock Exchange Committee, and investment opinion generally, believe that successful and unsuccessful subscribers should receive absolutely identical treatment in this matter, there would seem to be a strong case for insistence that issuing houses should possess adequate *personnel* and organisation to fulfil every part of their functions. The issuing house, after all, exists for the service of the market, and not the market for the issuing house. Whether subscribers resident some considerable distance from London are not placed at a certain disadvantage as compared with those nearer the Metropolis, even under a system of simultaneous posting of all letters, is, of course, another matter. Certain anomalies are inevitable under any system, and the rule which failed to obtain confirmation this week probably represented the limit to which those chiefly concerned would be asked to go in present circumstances.

Distillers' Increased Profits.—The high level of prosperity achieved by the Distillers' Company in recent years was more than maintained during the twelve months ended May 15th last, net earnings being the highest in the company's history. The company is still to some extent an operating concern, but the lion's share of its earnings are derived from subsidiary companies, the companies' total investments and loans outstanding totalling over £18½ millions. Results for the last three years are given below:—

YEARS ENDED MAY 14 or 15.			
	1926.	1927.	1928.
Gross profits	£ 2,367,337	£ 2,323,609	£ 2,434,542
Net profits (after deducting taxation charges and £30,960 debenture interest)	2,098,441	2,104,294	2,269,655
Preference dividend	105,600	105,600	105,600
Number of times covered	19.9	19.9	21.5
Ordinary.....			
† Earned per share	19.2%	19.3%	20.4%
* Paid per share	20%	20%	20%
† Amount of dividend	1,657,839	1,657,945	1,678,825
Undistributed profits.....			
To reserve fund	200,000	200,000	400,000
To fire insurance fund	5,000	5,000	5,000
To superannuation, &c., fund	25,000	25,000	..
To other purposes	100,000	100,000	..
Carried forward	£5,002	£10,749	£80,230

* Less tax; equivalent figure to compare with profits earned per share would be 16% tax free. † After deduction of income-tax.
a. Expenses of Buchanan-Dewar and Walker share transaction, written off.

It will be seen that the amounts earned per ordinary share, after payment of income-tax, have been equal to 19.2, 19.3, and 20.4 per cent. in the three years respectively, and that after paying ordinary dividends of 20 per cent. each year (equivalent to 16 per cent. after deduction of tax), the company has been in a position to add to the capital "invested in its business," some £335,002, £340,749, and £485,230, in each of the three years respectively. All the expenses incurred in connection with the Buchanan-Dewar and Walker acquisition in 1925 were written off by May last year, and the directors have chosen the conservative policy of increasing the reserve fund rather than increasing the ordinary dividend. The balance-sheet shows a position of great liquidity, the company's current assets of £1,605,685 exceeding liabilities

to outside creditors, £472,468, by £1,133,217. The following table shows the course of stock exchange quotations for the £1 ordinary shares in recent periods:—

	1925.	1926.	1927.	1928.
Highest	69/0 ..	59/9 ..	60/9 ..	76/3
Lowest	50/6 ..	47/10½ ..	51/6 ..	59/3

At their present price of 73s 9d the shares give a yield of £5 9s per cent. The book value of the ordinary shares is about £1 5s 8d, but, in view of the conservative policy followed in past years in regard to the writing down of assets the company's inner reserves are probably of substantial amount. The shares make a considerable appeal to investors who believe in the development of the industrial alcohol side of the company's business.

Henley's Telegraph Works.—This prosperous concern goes from strength to strength, gross profits rising in the twelve months ended March 31st last from £306,985 to £342,291, and net profits, after meeting all charges and taxation, from £223,424 to £251,229. The character of the company's business in general, however, did not differ materially in the two periods. The works were fully employed throughout the year, the rise in earnings being the fruit of increased expenditure on capital account of £126,417 (financed from the company's own resources), as a result of which works production was increased. The company's subsidiary (Henley's Tyre and Rubber Company) enjoyed improved business, due partly to increased turnover and partly to relative stability in raw rubber prices. The results of the parent company for the last three years are shown:—

YEARS ENDED MARCH 31.			
	1926.	1927.	1928.
Gross profit	£ 311,029	£ 306,985	£ 342,291
Net profit, after meeting all charges and taxation	212,882	223,424	251,229†
Preference dividend	9,000	9,000	9,000
Number of times covered	23.6	24.8	27.9
Ordinary.....			
(Percentage earned	31.4%	33.0%	37.3%
(Percentage distributed	20%*	25%*	25%*
(Amount of dividend	130,000	162,500	162,500
Transferred to reserve	50,000	50,000	50,000
Inc. or dec. in amount carried forward	+23,882	+1,924	+297,29†

* Less income-tax. † Before payment of directors' bonus.

For the second year in succession the directors declare a bonus of 5 per cent., in addition to the dividend of 20 per cent. In view of the high level of earnings on the ordinary capital there would seem little doubt of the directors' ability at least to maintain this payment, apart from unforeseen eventualities, in the future. The balance-sheet shows a fairly liquid position, current assets—cash, bills, gilt-edged securities, debtors, and stock-in-trade—totalling £1,886,842, against creditors and contingent reserves of £1,055,414, working capital thus being £831,428, as compared with £849,540 a year earlier. Highest and lowest prices of the ordinary £1 shares are given below for some years past:—

	1924.	1925.	1926.	1927.	1928.
Highest	2½ ..	3½ ..	4½ ..	5½ ..	5½ ..
Lowest	2½ ..	2½ ..	3½ ..	4½ ..	5½ ..

At their present price of £5½ cum 3s 6d dividend, the ordinary £1 shares give a yield of £4 3s per cent.

Lipton's Position.—The large multiple shops businesses whose shares are of interest to the British investor have, in general, so excellent a profit-earning record as to suggest that factors of a very special character are responsible for the unfortunate position in which Liptons finds itself at the present time. In 1919, a banner year, the company earned net profits of £380,270. Earnings fluctuated considerably during succeeding years, but the first real shock to shareholders came in 1925, when profits fell from £236,245 to £86,713, and ordinary dividends

(which had previously declined from a steady 12½ per cent. to 12 and then 10 per cent.) abruptly ceased. In the following year earnings were even lower at £30,844, while in 1926-27 a net debit of £40,601 was shown. Last September an arrangement was made with the Meadow Dairy Company—an eminently successful concern in much the same domain as Liptons—as a result of which that company became associated with the management, Sir Thomas Lipton assuming the less active office of honorary life president, and a new board set about the reorganisation of the company's affairs. The latter appear to have been markedly active in the nine months which have elapsed since they took office. A "very thorough" investigation has been made, unprofitable manufacturing departments and retail branches have been shut down, and others are being rearranged "on modern lines." The extra depreciation involved by these drastic but salutary measures has so far aggregated £106,023, entirely absorbing the special reserve set aside last year, and reducing the balance of general reserve to £47,779. There is still more to come, however, and the directors will in due course submit a scheme for the reduction of capital. The writing-up of certain assets in 1923 would appear to have been an indefensible proceeding, since, the present board states, it "resulted in the retention on the books of properties and fixtures, &c., at a figure much in excess of their true value." The loss for the year ended March 31, 1928, £88,538, was swollen by the operations described above. After deducting the credit balance of £17,340 brought forward, the remainder has been charged against the general reserve fund. A summary of the balance-sheet is given on a later page, but in view of the directors' remarks the figures, for the most part, can hardly be taken as a full indication of the real position. Goodwill, it will be noted, accounts for £1,445,620, which is £195,620 more than the nominal amount of the whole ordinary capital. Arrears of preference dividend total £262,000. Highest and lowest prices for the ordinary £1 shares have been as follows:—

	1924.	1925.	1926.	1927.	1928.
Highest	30/6 ..	24/3 ..	15/6 ..	18/9 ..	17/6
Lowest	22/6 ..	13/- ..	10/- ..	10/- ..	8/9

The ordinary £1 shares are quoted at 8s 9d, but as shareholders have been warned that considerable time must elapse before the full benefit of current reforms can be reflected in the trading results, the company's true earning power—and, consequently, the correct valuation to be placed on the ordinary shares—cannot be even approximately estimated at the moment.

American Ownership of British Electrical Securities.—Students of British electrical development, as well as shareholders in the General Electric Company, will find much of interest in the speech of Sir Hugo Hirst at that company's annual meeting on Tuesday last, a report of which appears on a later page. A certain amount of comment was inspired in City circles by a rise in the value of General Electric shares about ten days before the announcement of an increased dividend. Leakage of privileged information is a vexed question on the Stock Exchange, but on this occasion it appears that the board's decision was arrived at barely an hour before its announcement, the rise being, in fact, due to an American bank's selection of the shares for dealings in the New York market, and their introduction on the "kerb" in that centre without the knowledge of Sir Hugo Hirst and his colleagues. While the board, Sir Hugo declared, were not directly interested in ordinary circumstances in the distribution of ownership of the company's shares, they believed that, in view of their position among the leading concerns in the British electrical industry, and of that industry's part in future Imperial development, "it might cause great embarrassment some day if it were found out that too big a proportion of shares were held in non-British hands." The directors would accordingly follow the course of events with jealous care, and, if necessary, "introduce measures" to limit foreign participation "within certain proportions." Sir Hugo's considered pronouncement may be particularly timely, in view of the rumoured efforts of certain overseas interests to obtain a larger control of the electrical manufacturing

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industry of this country; but we venture to question whether the illustration chosen to reinforce a sound conclusion was not likely to cause a certain confusion of thought in the minds of Sir Hugo's audience. American buying for control is one thing, American buying of sound British securities for investment purposes another. The very facts which justify the directors of a leading electrical construction company in their reluctance to contemplate even the possibility of control by non-British interests—the status of the electrical trades among the newer and more prosperous industries of Great Britain and the importance of the part they seem destined to play in future economic development—are themselves calculated to increase the appeal of the shares to discerning overseas investors. There is a large measure of agreement on the London Stock Exchange that American investment in high-grade British securities, which has already attained significant dimensions, is likely to increase in the future. As we had reason to declare in a recent article in the *Economist* on the occasion of the listing of British Government 4 per Cent. Funding Loan in New York, there is much to be said for the development of a New York market in British securities, given adequate safeguards, and, we may add, provided the movement has its counterpart in the restoration of the American market in London.

University Life Assurance Society.—This highly conservative little society restricts its activities to the granting of assurances on the lives of "past or present members of the universities, public schools, theological colleges and other approved educational institutions." Within these limits the new business transacted has shown a considerable expansion in the last three years, and in the past year has risen from £109,459 to £165,356. Further distinctive features of the society are—(1) that no commission is paid for the introduction of new assurances, and (2) that the total bonuses on a full profit assurance are guaranteed to be not less than 30s per cent. per annum for the first ten years and 35s per cent. per annum thereafter. Actually the society was able to declare a reversionary bonus of 50s per cent. per annum simple at its last quinquennial valuation in 1925. The expenses accounted for 7.6 per cent. of the premiums last year, compared with 8.3 per cent. in the preceding year. The net rate of interest earned is on the low side, and worked out at £4 2s 7d per cent., compared with £4 1s 4d per cent. in the previous year. It is proposed to end the society's financial year in future on December 31st, instead of April 30th, and the next division of profits will be as at December 31, 1929, when it is anticipated that a full five years' bonus will be declared in respect of the period April 30, 1925, to December 31, 1929. Since 1919 the society has been controlled by the "old Equitable," which owns the share capital.

Two Tin Reports.—Last year's operations on the part of the Sungei Besi were hindered by an excess of water, both from above and below, while the average of the returns also fell off somewhat. Hence the profit declined by £5,840 to £25,660, while the surplus on realisation of investments is only £9,970, as against £24,090. Still, no difficulty was experienced in maintaining the 20 per cent. dividend rate; this, in fact, left the enhanced

balance of £43,770 to go forward. From the report of the general manager, the long-delayed hydro-electric scheme should by now have made a start; particulars will be given at the annual meeting. The associated Tronoh Mines sold a largely increased quantity of ore—nearly 1,000 tons—presumably reflecting the operations of the tributaries. The company's own output of 390 tons, averaging £173 per ton, was almost identical with that of 1926. Surpluses on realisation of investments figure at £73,600, in place of £85,800, giving a total profit of £120,700, as against £130,200. The dividend total was, however, increased by 3 per cent. to 30 per cent., still leaving the enhanced balance of £109,330 to be carried forward, after writing off £34,200, or £18,650 more than before. It may be recalled that in respect of 1926, owing to the company's commitments for new dredges, a conservative policy was followed in the distribution of profits. During the period the Southern Tronoh was floated; in this connection £25,000 was deducted from property account, which had been increased by £129,200. Investments at cost were slightly higher at £234,500. Particulars of the assets are promised for the annual meeting. For some time past both the company's old dredges have been passing through poor ground, giving often losses instead of profits. But this will not continue indefinitely, and in due course returns will be supplemented by the dredges on the new Kampar section. Two should shortly be producing; a third has been ordered.

Transvaal Gold Estates.—Our mining correspondent writes:—From the mining standpoint the position of this "outside" Transvaal undertaking continues to worsen. The ore reserves on each of the three properties operated have declined in both quantity and quality; in fact, at two of them development work failed to disclose payable ore to replace that mined. Moreover, work on the special geological investigation has resulted in no evidence which at present appears likely to lead to the discovery of other payable areas. At 607,800 tons, value 7.7 dwts, the ore reserves as a whole display a shrinkage of 68,000 tons in quantity and 0.4 dwts in value. Thanks to the installation of an additional five stamps at the Elandsdrift, the tonnage milled shows a small expansion. A decline of nearly 2s per ton to 28s 8d in average revenue was partly offset by economy in costs, leaving operating profit at £34,060, or 3s 5d per ton, as compared with £41,480, or 4s 3d per ton. Other revenue was slightly higher than before, £22,580. Two dividends of 2½ per cent. each were paid, the same as in respect of the two preceding periods. Capital expenditure required £13,470, as compared with £10,070, while £20,780 was disbursed upon property in place of £22,150 during the twelve months ended March 31, 1927. At £132,200 the carry forward is down to the extent of £7,900. In addition to the former sum—which is represented by cash and cash assets—the company has in hand £32,100, a sum standing to the credit of mine development purposes account. There are now no less than 13,250 acres under cultivation; it is owing to the sales of wattle bark that the company's miscellaneous revenue has so materially expanded in recent years. But for the plantations the shares would be overvalued at current price.

Shamva.—Seeing that for various reasons only 5,440 ft. of development was performed last year, or 2,660 ft. less than in 1926, it is satisfactory that the ore reserves should be only 200,000 tons down at 1,000,500 tons, albeit the value is a trifle off at 3.2 dwt. As regards underground work, chief interest attaches to the South Parallel section. Here the upper levels gave very encouraging results; unfortunately, at the 10th level the length and width of the shoot exposed to date is less than had been looked for, albeit the average value of the ore continues satisfactory. The consulting engineer states that the working profit for the current year should be maintained without difficulty at last year's level, and "the indications point to an improvement in development results." In 1927 a somewhat reduced tonnage of ore was crushed, but the effect of this was more than offset by advance in grade and economy in cost, the net profit coming out at £59,100, as against £50,350. Four

dividends of 2½ per cent. each were paid, comparing with three; for the first half of the current year 5 per cent. has been disbursed. A neighbouring property—the Asp—was secured at auction for £5,100. This appears a good purchase, as the ore at present developed is estimated at 50,000 tons, value 7.8 dwts; it will help to swell the Shamva's earnings.

Aramayo.—As usual, the details of operations were supplied at the annual meeting, which was held on Monday. For convenience of comparison we tabulate the output figures relative to the past two years:—

Output.	1926.	1927.
Black tins (60 per cent.) tons	3,331	4,248
Silver ozs	1,752,350	1,722,200
Copper cement tons	316	324
Metallie bismuth tons	133,300	68,300

All the minerals realised lower average prices than before; in the case of bismuth, increased sales were approximately offset by the reduction in values. Having regard to the market position, the mining and smelting of the last-named mineral has been restricted. The cost of production of black tin was £73 19s 3d per ton, as against £67 15s 8d. On an American method of estimate the ore reserves in the Chocaya mine are placed at 317,720 tons, value 50.42 ozs silver and 4.43 per cent. tin, the quantity being larger and the averages smaller than before. On the basis of last year's dividends, allowing for the 15 per cent. included in the price, Aramayo shares at £3 5s. show a yield of slightly under 10 per cent. In looking to the future, however, regard has to be paid to the sharp fall which has taken place in the price of tin, and to the fact that the profits have to be distributed over an increased capital.

NEW ISSUES OF THE WEEK.

With the approach of the "close season" the number of new capital issues shows a perceptible falling-off this week, though the total of £5,733,285 offered to the public in the seven days ended Thursday, July 5th, makes a favourable comparison with the £3,474,436 of last week, thanks largely to a single issue of £2,000,000. A year ago, however, the total was higher, reaching £6,177,650. The £2,000,000 borrower was the Royal Mail Steam Packet Company, which made an issue of 5 per cent. debenture stock at 92½, largely over-subscribed by 12.30 on Tuesday. The proceeds were to be devoted, in part, to the construction of the company's new offices in Leadenhall street. The company is one of the "great powers" in the shipping world, and though, in common with other shipping companies, it has suffered to some extent from the depression of recent years, only once since 1911 (in 1914) has its ordinary dividend been passed. Potential investors would probably have been content with a shorter record of dividend payments in the prospectus, had the company seen its way to include some recent figures of earnings, the document as a whole being laconic to a degree. No Dominion or foreign Government was in the market this week, but three overseas applications merit special mention. The first was the City of East London, an important South Africa port and commercial centre, which had not previously been a borrower in London for nearly a quarter of a century. The offer of £1,268,500 5 per cent. stock, for various public works, gave, however, at the issue price of 99½ a somewhat low yield to the investor. A relatively little-developed part of the Empire was represented by Bermuda Traction, Limited, a holding company of the securities of a concern which is to construct a railway under terms which confer on it practically a monopoly of mechanical transport in the colony for the next 40 years. Particulars have also been advertised of a relatively small issue by tender by the County Borough of Cork—a sound investment which is a trustee security in the Irish Free State. British commercial and industrial issues were seven in number. A fairly old-established and successful brewery in the North of England made an offer of preference and ordinary shares; the latter—much the more attractive investment of the two—being obtainable only by purchase of an equivalent nominal amount of the former. Scottish Amalgamated Silks is a company formed to take over various existing

businesses in Scotland and Lancashire, which are to be extended. The concern will have a large annual production when its programme is completed, but a good deal has yet to be done before that stage is reached, and the shares are definitely speculative. Cavendish House (Cheltenham) is an old-established provincial drapery business, in good hands. Another old-established concern in the week's list is John I. Jacobs, one of the leading oil-chartering brokers in Europe and America. Amalgamated Fruiterers—a fusion of 20 London fruit shops—is a very speculative proposition, the success of which largely depends on the skill of the three leading directors in developing the company on multiple shop lines.

NEW ISSUES.

The new issues of the week and the dates of opening of the lists have been as follow:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
Amount previously recorded, 244,762,793.				
ISSUES OF THE WEEK.				
NATIONAL SAVINGS CERTIFICATES. Net Sales, week ended June 30, 1928, £50,000. Total Receipts April 1, 1928, to June 30, 1928, Dr £450,000.				
To the public.				
Royal Mail Steam Packet Co., £2,000,000 5% Deb. Stk., at 92½ (July 3)	2,000,000	1,850,000	100,000	1,750,000
City of East London, £1,268,500 5% Red. Stk. (red. at par June 30, 1920-70), issued at 99½ (July 2)	1,268,500	1,261,660	63,400	1,198,260
Scottish Amalgamated Silks, Limited, 3,700,000 Pref. Ord. Shares of 5s each, at par	925,000	925,000	92,500	832,500
Ditto 7,400,000 Def. Shares of 1s each, at par (July 4)	370,000	370,000	370,000	..
Bermuda Traction, £380,000 7% Pfd. Deb. Stock, at par (July 5)	380,000	380,000	19,000	361,000
Towles (1928), 200,000 8% Cum. Pref., £1, at par (July 5)	200,000	200,000	50,000	150,000
Do 200,000 Ord., 2s, at par	20,000	20,000	20,000	..
National Sun Ray and Health Centres, 120,000 10% Cum. Pfd. Pref., 10s, at par	60,000	60,000	6,000	54,000
Do 120,000 Def. Shrs., at par	6,000	6,000	6,000	..
Massey's Burnley Brewery, 175,000 6% First Cum. Pref. Shares of £1 each, at par	175,000	175,000	21,875	153,125
Do 175,000 Ord. Shares of £1 each, at 22s 6d per share (July 2)	175,000	196,875	21,875	175,000
Cavendish House (Cheltenham), Limited, 300,000 Cum. Pref., of 10s each, at par	150,000	150,000	37,500	112,500
Do 300,000 Ord. Shares, of 1s each, at par (July 3)	15,000	15,000	15,000	..
Amalgamated Fruiterers, 225,000 8% Cum. Pfd. Ord. Shares of 10s each, at par	112,500	112,500	22,500	90,000
Do 225,000 Def. Shares of 1s each, at par (July 2)	11,250	11,250	11,250	..
Total offered to the public	5,733,285	5,733,285	856,900	4,876,385
To Shareholders only.				
Jorehaut Tea, 58,500 Ord. Shares, £1, at £2	58,500	146,250	58,500	187,750
Machine-Made Sales, 400,000 New Shares, 1s, at 10s	20,000	200,000	100,000	100,000
Russian Corporation, 378,000 Shares, £1, at par	378,000	378,000	37,800	340,200
Total to shareholders only	..	724,250	196,300	627,950
Total offered for subscription to date				
1928	251,270,328	1927	355,165,970	
1927	218,631,797	1926	230,782,601	
1926	132,973,088	1925	232,214,500	
1925	116,274,740	1924	209,326,100	
1924	117,097,640	1923	271,393,173	
1923	186,880,610	1922	575,875,650	

Comments on the new issues, summarised below, will be found at the head of this section.

Royal Mail Steam Packet Company.—Issue of £2,000,000 5 per cent. debenture stock at 92½. The company has an issued and paid capital of £8,800,000, and (exclusive of the present issue) £1,400,000 4½ per cent. and £3,100,000 5 per cent. debenture stock, a reserve fund of £1,450,000, and an insurance fund of £1,311,755. The combined fleets of the company and its subsidiaries total 2,761,969 gross register tons. Dividends on ordinary stock are shown since 1911. The proceeds are to be used for a new freehold building in Leadenhall street and general purposes. The yield is £5 8s 1d per cent.

City of East London (Union of South Africa).—Issue of £1,268,500 5 per cent. redeemable stock, 1960-1970, at 99½. The proceeds will be used for public works, mainly of a reproductive character. East London is the principal port for the export of South African wool. Its population is over 37,000. The value of the imports and exports passing through it last year was £6,131,293 and £6,882,245 respectively. The loan is secured on the assets and revenues of the city, and carries a sinking fund of not less than 1½ per cent.

County Borough of Cork.—Issue by tender of £106,000 5 per cent. debenture stock, redeemable at par by 1978 or at the Corporation's option after 1948. The proceeds will be used for sewage, workmen's cottage building, and other public

works. The city has an assessable value of £209,000, and a debt of £283,113, against which are accumulated sinking funds of £74,845. The issue is a trustee stock in the Irish Free State, and, at the minimum price of 95, gives a running yield of over £5 5s per cent.

Bermuda Traction, Limited.—Issue at par of £380,000 7 per cent. participating debenture stock, redeemable in 1968 at 105, holders' option. The company has a capital of £125,000 in £1 shares, all issued, and has acquired the greater part of the share capital, and a first mortgage bond of a company which is to construct and operate a railway in Bermuda, the cost of which is estimated at not more than £259,500.

Scottish Amalgamated Silks, Limited.—Issue at par of 3,700,000 (out of 5,600,000) preferred ordinary 5s shares and 7,400,000 (out of 12,000,000) deferred 1s shares. The preferred are entitled to a non-cumulative 10 per cent. and 25 per cent. of surplus profits after payment of 10 per cent. on the deferred. The company acquires factories in Scotland and Lancashire, and will carry on an artificial silk spinning and manufacturing business. The purchase price is £430,000 in cash, and approximately £360,000 is to be spent on new plant and machinery.

Massey's Burnley Brewery, Limited.—Issue of 175,000 6 per cent. first cumulative preference £1 shares at par and 175,000 ordinary £1 shares at £1 2s 6d. Previous issued capital: £100,000 first preference, £150,000 7 per cent. second cumulative participating preference, £100,000 ordinary, and £290,000 5½ per cent. mortgage debenture stock. An additional £400,000 is being created. The company took over an older business in 1889, and on October 31st last had net assets of £548,744, profits for the last three years being (October 31st), 1925, £57,052; 1926, £59,880; 1927, £62,023. The brewery, wine and spirit business of J. Grimshaw, with properties valued at £607,815, has now been acquired for £670,000, of which £400,000 is payable in debenture stock and £53,125 in shares.

Cavendish House (Cheltenham), Limited.—Offer at par of 300,000 8 per cent. cumulative preference 10s shares and 300,000 (out of 2,000,000) ordinary 1s shares. The company will acquire a business of drapers, costumiers, outfitters, and house furnishers carried on at Cheltenham Spa, originally founded in 1818, with net assets, exclusive of goodwill, of £291,980, for £275,000, the company discharging the debts of the vendors, estimated at not more than £40,216. Profits for the years ended January 31st have been:—1924, £34,269; 1925, £38,268; 1926, £37,051; 1927, £39,598; 1928, £40,577.

Amalgamated Fruiterers, Limited.—Issue at par of 225,000 (out of 350,000) cumulative participating preferred ordinary 10s shares and 225,000 (out of 1,400,000) deferred 1s, the preferred being entitled to one-fourth of surplus profits. The company acquires twenty London fruiterers' shops, valued at £136,623, for £124,700, of which £89,900 is payable in cash. Combined profits have been:—1925 (16 shops), £28,562; 1926 (18 shops), £31,416; 1927 (20 shops), £34,120.

Towles (1928), Limited.—Issue at par of 200,000 8 per cent. cumulative preference shares and 200,000 (out of 800,000) ordinary shares of 2s. The company takes over a hosiery and underwear-manufacturing business established in 1906 and carried on at Loughborough and Sileby, with net assets (exclusive of goodwill) of £191,499 for a purchase price of £186,500, payable as to £140,000 in cash and £46,500 in ordinary shares, and the discharge of the liabilities of the business. Profits have been (years ended September 19th):—1925, £33,185; 1926, £36,053; 1927, £39,200.

National Sun Ray and Health Centres, Limited.—Issue at par of 120,000 (out of 250,000) 10 per cent. cumulative participating 10s preference shares and 120,000 (out of 500,000) 1s deferred, the former being entitled to 40 per cent. of surplus profits after the deferred have received a 10 per cent. dividend. The company will take over artificial sunlight treatment establishments in five centres, and establish others in due course. The profits for various broken periods give an equivalent annual total of £18,803. The purchase

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A thoroughly organized international bank, giving special attention to the requirements of European banking correspondents.

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148 Leadenhall St.

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price is £61,000, of which £16,000 is in cash and the remainder in shares. No valuation is given of the properties to be acquired.

Particulars of the following have been issued for public information only:—John I. Jacobs and Co., Limited, issued capital £101,968 in 7 per cent. cumulative preference £1 shares and £400,000 in ordinary £1 shares, the company carries on a shipowning business, particularly in the oil-carrying trade; Aktiebolaget Separator (Separator Company), incorporated in Sweden, issued share capital 89,000,000 Swedish crowns (about £4,835,000), the company is the largest manufacturer of centrifugal machinery for separating cream from skim milk; Memphis Cotton Hull Fibre Inc., incorporated under the laws of Tennessee, issued capital 300,000 shares of no par value, the company manufactures raw material for the artificial silk and other industries.

Dividend Announcements, Railway Traffic Figures, Short Notices on Company Reports, &c., will be found on later pages of this issue.

SUMMARY OF BALANCE-SHEETS.

DISTILLERS' COMPANY, LIMITED.

May 14, 1928.

LIABILITIES.		ASSETS.	
Amount.	Compared with Mar. 15, 1927.	Amount.	Compared with Mar. 15, 1927.
Ord. shares	10,570,362 .. + 208,811	Land & buildings	984,800 .. - 15,200
6% pref. shares	2,200,000	Plant	368,350 .. + 8,300
Reserve fund	1,250,000 .. + 403,000	Investments	13,765,118 .. + 2,088,390
Fire insur. fund	175,000 .. + 5,000	Sundry debtors	287,402 .. - 20,566
Superannuation	288,840 .. + 1,491	Stocks	284,515 .. - 39,866
Deb. stocks	820,000	Cash	985,162 .. + 361,123
Loans from sub-sidiary cos.	4,158,058 .. + 1,886,393	Bills receivable	48,606 .. - 44,911
Sundry creditors	325,467 .. - 47,605	Loans to subsidiary cos.	4,533,854 .. + 222,323
Carriage on spirits	149,001 .. + 7,374	Payments & provision for expenses in connection with increase of capital, &c.	 - 100,000
Profit and loss	1,322,429 .. + 1,111		
Total	21,257,757 .. + 2,459,593	Total	21,257,757 .. + 2,459,593

INTERNATIONAL TEA COMPANY'S STORES, LIMITED.

April 28, 1928.

LIABILITIES.		ASSETS.	
Amount.	Compared with April 30, 1927.	Amount.	Compared with April 30, 1927.
6% cum. 1st pref. £1	500,000	Goodwill account	626,675 .. + 97,419
7% cum. "A" pref. £1	500,000	Freeholds	1,094,826 .. + ..
Ord. shares, 5s, fully paid	1,000,000 .. + 150,000	Long leasehold premises	71,246 .. - 869
Creditors	395,003 .. + 4,977	Fixtures, &c.	306,853 .. + 10,642
Outstanding divs. on pref. shares.	20,488 .. + 37	Stocks	902,440 .. + 12,372
Loans and interest secured	31,474 .. - 4,885	Debtors	324,965 .. + 33,732
Unsecured, Lloyds Bank	351,936 .. + 351,936	Investments in Star Tea Co.	770,162 .. + 770,162
Do Riddways	272,334 .. + 272,334	Sundries	50,000 .. - 1,000
Reserve account	737,938 .. + 69,800	Cash	117,886 .. - 56,159
Profit and loss	296,120 .. + 21,500		
Total	4,265,053 .. + 866,299	Total	4,265,053 .. + 866,299

LIPSON, LIMITED.

March 31, 1928.

LIABILITIES.		ASSETS.	
Amount.	Compared with Mar. 31, 1927.	Amount.	Compared with Mar. 31, 1927.
5% cum. pref.	1,000,000	Goodwill	1,445,620 .. - 10,000
9% cum. pref.	600,000	Properties	807,523 .. - 8,140
Ord. shares, £1	1,250,000	Plant, &c.	670,346 .. - 119,110
Debtors	1,200,000	Stocks	952,244 .. - 41,357
Bank overdraft	18,146 .. + 18,146	Sundry debtors	349,652 .. - 63,255
Bills payable	 - 11,023	Insurance, &c.	 - 18,806
Sun. creditors, &c.	374,890 .. - 31,195	Investments & interest accrued — British Colonial Government securities	98,628 .. - 11,301
Savings bank deposits	92,589 .. - 15,504	Trading investments, incl. loans to & investments in subsidiary cos.	148,651 .. + 19,049
Unclaimed divs.	4,700 .. - 211	Cash at bank and on hand	24,439 .. - 16,359
Deb. int. accrued	9,000		
Income-tax reserve	 - 25,000		
Reserve for dilapidations	47,778 .. - 77,222		
Profit and loss	 - 17,510		
Total	4,497,103 .. - 259,349	Total	4,497,103 .. - 259,349

TANKERS, LIMITED.

March 31, 1928.

LIABILITIES.		ASSETS.	
Amount.	Compared with Mar. 31, 1927.	Amount.	Compared with Mar. 31, 1927.
2% cum. pref., 10s	782,015 .. - 782,016	Cost of tankers	1,078,919 .. - 1,654,103
Ord. shares, 1s.	239,335 .. - 957,570	Office furniture	1,000 .. - 1,000
Creditors	155,343 .. + 75,673	Investments in advances to — other cos.	558,215 .. - 306,283
Bills payable	596,719 .. - 122,513	Floating assets	50,651 .. - 12,756
Bank overdraft	nil .. - 14,889	Debtors	6,373 .. - 6,875
Profit and loss	10,067 .. - 167,117	5% War Loan at cost	50,166 .. - 25,405
		Cash	38,253 .. + 37,990
Total	1,783,587 .. - 1,968,432	Total	1,783,587 .. - 1,968,432

W. T. HENLEY'S TELEGRAPHS WORKS COMPANY, LIMITED.

March 31, 1928.

LIABILITIES.		ASSETS.	
Amount.	Compared with Mar. 31, 1927.	Amount.	Compared with Mar. 31, 1927.
4½% cum. pref. (£5)	200,000	Properties	897,789 .. + 75,183
Ord. shares (£1)	650,000	Investments — 4% consold. loan	157,875
4½% deb. stock	1,055,414 .. + 34,800	4½% Treasury Bonds, 1934	49,688 .. + 49,688
Creditors	450,000 .. + 50,000	W. T. Henley's deb. stock	29,137 .. + 4,424
Reserve	646,681 .. + 26,728	Henley's Tyre & Rubber	250,000
Profit and loss .....	.. ..	Debs. and shares in other cos. at est. value	88,327 .. + 15,231
		Stock-in-trade	715,614 .. + 42,378
		Debtors	593,356 .. - 39,107
		Bills receivable	38,576 .. - 10,767
		Treasury bills and cash	331,753 .. - 25,502
Total	3,152,095 .. + 111,528	Total	3,152,095 .. + 111,528

MINING OUTPUT STATISTICS FOR MAY, 1928.

	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Crushed.	Mill.	Crushed.		
Gold.	Tons.	Tons.	Ozs.	Ozs.	£	£
Cam and Motor	23,800	..	..	12,666	53,719	24,973
Exploring Land	2,550	..	..	..	2,794	..
Rezende	6,400	..	..	..	12,764	5,007
Sherwood Star	4,400	..	..	..	7,520	..

	Output.	Other Notes in Return.	
		Tons.	(piculs).
Assam Kumlang	204	..	Black tin, £2,450.
Chenderiang	352	..	Black tin; amount realised, £6,450.
Geovor	60	..	Est. value, £7,140; est. cost, £2,095.
Gopeng	473	..	Est. value, £5,787; est. costs, £1,954.
Idris Hydraulic	434	..	..
Ippoh	630	..	(piculs).
Kampung Ramunting	160	..	Est. value, £20,206.
Kamunting	27	..	Est. value, £3,512; est. cost, £1,377.
Kinta	143	..	Est. value, £1,750; est. cost, £1,050.
Kramat Pulai	94	..	Est. value, £1,246; est. cost, £1,944.
Lahat	1603	..	Est. value, £21,866; est. cost, £8,336.
Malayan	20	..	(Nigerian production).
Nigerian Consolidated	5	..	Est. profit, £120.
Orin River Gold	203	..	Black tin; 3½ tons alluvial.
Pahang Consolidated	125	..	..
Petaling	40	..	..
Rahman	13	..	Est. value, £1,420; est. costs, £740.
Rambutan	90	..	Est. profit, £700.
Rantau	51	..	..
Renong	64	..	..
Ropp	33	..	Concentrates.
Selayang	654	..	Est. value, £6,611; est. cost, £3,817.
Southern Malayan	566	..	Est. value, £7,537; est. cost, £3,430.
Southern Perak	45	..	Est. value, £5,988; est. costs, £4,055.
Sungei Besi	283	..	..
Sungei Kinta	36	..	Est. profit, £1,750. 1
Tanjong	359	..	Est. value, £4,155; est. costs, £2,053.
Teja Malaya	473	..	..
Tekka-Taijing	354	..	Est. value, £5,055; est. costs, £2,655.
Tronoh	545	..	Est. value, £4,580; est. cost, £3,831.
Ulu Yam	..	..	(piculs).

	Output.	Other Notes in Return.	
		Tons.	(piculs).
Blackhill	20,623	..	..
Coalbrook Colliery	28,400	..	..
Dundee	44,366	..	..
Natal Navigation	103,621	..	..
Sengatani	54,668	..	..
South African	62,175	..	..
Tweefontein	65,116	..	..
Vereniging	189,168	..	..
Wanki	62,515	..	..
Coal sales; 14,000 tons coke sales.			
Diamonds.			
Crown	6,325	..	Carats.
New Vaal River	793	..	Carats, realising £7,549.
Tanganyika	10,256	..	..
Miscellaneous.			
Cyprus Asbestos	2,187	..	..
Rhodesia Broken Hill	865	..	..
Russo-Asiatic	971	..	..

BROKEN HILL SOUTH.—For the four weeks ended June 30th 25,920 tons of crude ore and 3,801 tons of de-leaded siliceous residues were treated, and produced 5,308 tons of lead concentrates assaying 65 per cent. lead and 26 ozs silver per ton; also 5,780 tons of zinc concentrates assaying 47 per cent. zinc.

MOUNT LYLEL MINING AND RAILWAY CO., LIMITED.—During the four-weekly period ended June 20th, the mill treated 9,858 tons of ore, producing 2,624 tons of concentrates.

NATIONAL PROVIDENT INSTITUTION

48 GRACECHURCH STREET, E.C.3.

BONUS DECLARATION 1927. WHOLE LIFE ASSURANCE.

£2 10 0% per annum, steadily increasing after "expectation" to over £5% per annum at extreme ages.

SURPLUS DIVIDED - £1,249,700
CARRIED FORWARD - £392,000

COMPANY MEETINGS, &c.

ANGLO-ARGENTINE TRAMWAYS COMPANY, LIMITED.

INADEQUATE RETURN DESPITE RECORD TRAFFIC.

NEGOTIATIONS WITH MUNICIPALITY.

The forty-fourth ordinary general meeting of the Anglo-Argentine Tramways Company, Limited, was held, on the 3rd inst., at Winchester House, Old Broad Street, London, Sir George A. Touche, Bart. (chairman of the company), presiding.

The Chairman, in moving the adoption of the report and accounts, said: Ladies and gentlemen.—The results of the company's operations for the year 1927, set out in the report and accounts now submitted, show a slight improvement on those of the year 1926. We carried the record number of 560,747,554 passengers, or 18,648,945 more than in the preceding year. This increase of nearly 3½ per cent. was accounted for mainly by better weather in the latter half of the year, and the greater commercial activity resulting from a steady improvement in Argentina's economic conditions.

Our gross receipts have consequently risen, and at £4,658,617 exceed by £163,217 those of 1926. The amount of the debit side of the account, however, has also risen to an approximately equal extent. Economies, wherever possible, have secured certain reductions in working costs. But these have been outweighed by the augmented allocation of £368,666 to renewals to meet the heavier commitments necessary in the interests of efficiency. In 1926 the renewals expenditure exceeded the appropriation from revenue by £61,254. The unexpended portion of the allocation in 1927 (£33,193) goes slightly more than half-way towards restoring to its former level the balance of the reserve for this purpose, which now stands at £452,158.

There has been a diminution of £60,487 in the losses from exchange operations, but considerably more than this sum has, of course, been absorbed in the expenses of running the 3,000,000 additional car-miles entailed by the increased volume of traffic and in municipal taxes corresponding to the extra receipts.

The car-miles run during the year aggregated 69,861,752, as against 66,759,821 in 1926.

NET REVENUE ACCOUNT.

The total expenses amounted to £3,646,977. These include a sum of £21,321, applied in extinguishing the balance of deferred expenditure for paving, which now disappears from the balance-sheet.

The excess of receipts over expenditure was £1,011,639. With £30,841 from interest and minor receipts in London, there was a total of £1,042,481 to meet fixed obligations and dividends on the first and second preference shares. The sum required for these purposes was £1,027,800. This includes the usual sinking fund quotas, of which £19,910 has been accounted for in the balance-sheet by the final elimination of the familiar item "Discounts and commissions on issues of debenture stocks."

The remainder of the amount allotted during the year for debenture stock redemption appears on the other side of the balance-sheet. At £81,119 it forms the nucleus of the sum which will be accumulated for complete redemption of the outstanding debenture stocks within the established period.

The balance of the net revenue account was £15,400, which has been added to the carry-forward.

TRAFFIC PROBLEMS.

The poverty of this return for our services to the great and growing community of Buenos Aires is in striking contrast to the wealth of experience and endeavour which lies behind a feat of transport repeated every day. The significance of the transport achievement will be better appreciated when we remember the conditions under which we carry out this daily task of catering for a population of over 2,000,000 inhabitants.

There is the extreme congestion so far as the central zone of the city is concerned. There is the competition from numerous omnibus undertakings; and there is the restricted fare, from the proceeds of which must be defrayed heavy taxation and paving charges. Our annual liability for these two items alone amounts to well over £500,000.

It is no exaggeration to say that the extent of the problem has few, if any, parallels in any of the other great cities of the world. The design of the Argentine capital, which follows the rectangular pattern familiar to the larger cities of the United States, the narrowness of most of the streets, the concentration of the business quarter within a geographically limited area, the phenomenal influx of population during post-war years, and the corresponding multiplication of taxi-cabs and private automobiles, have all combined to provoke the state of congestion which now exists.

PARTIAL REMEDIES.

The various expedients introduced under the municipality's rapid transit scheme have continued in force, with the active co-operation of the company.

From January 1, 1927, the carrying capacity of our subway was expanded by the running of 75 more trains per day, the duration of the journey in its entire length being reduced from 19 to 16 minutes. This was made possible by the suppression of the through tramway-subway combination services run prior to that date.

On the surface lines the gradual replacement of trailer cars by motor cars has resulted in improved speed and headway on many of the company's busier lines less affected by congestion.

Other efforts to alleviate the present situation have been tested by the authorities. During the year they instituted what was known as the traffic synchronisation scheme, involving control of vehicular movement in the central zone by electric signals at street corners. The experiment proved unsuited to the characteristics of Buenos Aires. After some weeks it was definitely abandoned.

Thus the serious traffic evils of the city remain to this day, without remedy or relief, other than those of a comparatively minor character.

It has been emphasised time and again that the only real and lasting remedy lies in extending the means for underground travel, and the simultaneous raising of certain surface tracks. Any measure is foredoomed to failure that does not make this programme possible. It cannot be made possible, in view of the greater burden of post-war conditions, unless there is a readjustment of economic restrictions attaching to the operation of urban transport.

THE AD-REFERENDUM AGREEMENT.

The Ad-Referendum Agreement, signed with the Intendente of Buenos Aires nearly three years ago, contains the provisions essential for dealing with the situation. Its adoption, while indispensable to the progress of the company, would be fraught with advantages for the whole community, and, in a special measure, for that loyal band of workers which constitutes the company's personnel.

It is an oft-told story, and I do not propose to dwell on it again to-day, except to say that, with each successive year's delay, the case for official sanction becomes more urgent. Up to the present the agreement has not been put to discussion, or vote, by the Council, although it was the subject of earnest deliberation on the part of the finance committee of that body. That it may reach its final stages before the close of the current year is our hope.

Long and arduous although the task has proved to be, the efforts of the management and the board have never relaxed. Nor has our belief that we shall, ultimately, reach a settlement, creditable and beneficial alike to the city and the company, been diminished by the many disappointments we have encountered. I think, perhaps, the less that is said about these now the better.

Meanwhile the detailed plans for the first of the two additional subways to be provided under our concession have been submitted to the executive department of the council as a step preparatory to the commencement of construction when that course is made economically possible by granting our petition. These subways are vital to the needs of the city. The demand for them is emphasised by an overwhelming weight of local opinion.

OMNIBUS COMPETITION.

The intensity of competition from independent omnibus undertakings continues with but slight variation. Although the new routes inaugurated by these enterprises have been outnumbered by those which have been suspended, some 500 omnibuses remain in service in the city. It is estimated that they carried 162,000,000 passengers in 1927. Of these, probably 55,000,000 would otherwise have been transported by our trams.

The prospects of further loss of traffic from this cause are diminished by the introduction, in December last, of a new Ordinance of the Council, which will probably have a modifying influence on the number of new permits to be granted, and tend towards a better control of the routes now in operation. Omnibus business, by itself, has not proved so attractive as its promoters expected. There are many disillusioned owners. Experience is demonstrating both its uses and its limitations.

As a random venture, the motor omnibus is not very helpful to the traffic problem. Its services need co-ordination with those of other means of urban transport.

At the date of our last meeting we had commenced the introduction, by way of experiment, of our own omnibuses on a few routes selected for their suitability as feeders to the subway. The financial results considered alone were unprofitable. This is accounted for by the high expenditure necessary for maintaining them at a level of efficiency equal to that of our tramways and subway, combined with the well-known fact that the minimum costs of operating omnibuses are greater than those of tramway cars. Nevertheless, these special services have proved a benefit to the public, and their continued operation has been justified both

on this ground and by the additional traffic they have brought to the company's underground system. Greater economy in the operation of these buses is anticipated with the progress of time and the accumulation of experience. It is hoped to extend the services as opportunity and circumstances make such a course economically desirable.

AVELLANEDA SERVICES.

The omnibus services established in the adjacent suburb of Avellaneda, under the concession which the company obtained and transferred to an Argentine company in the early months of 1927, were inaugurated on September 1st. By the end of the year seven routes were being worked, with an average of 58 buses in service daily out of an initial fleet of 88. They carried during the four months 5,408,103 passengers. The chassis of these vehicles, as in the case of omnibuses of our services in the city, are of the well-known Associated Daimler Company's manufacture, and the coachwork has been constructed entirely in our own workshops with native materials and labour.

The population of Avellaneda is about 350,000. With the rapid and extensive developments that are taking place the future of this subsidiary enterprise is not unpromising. Until services have been in operation for a further twelve months comparisons are not possible.

ANCILLARY SERVICES.

The extensive project conceived two years ago for the reorganisation of the company's various dependencies was pursued actively in 1927. It is essential that we should look well ahead and be prepared to cope with an increased demand on all sections of the undertaking. Large tracts of land on the north bank of the River Riachuelo have been acquired, on which main workshops, warehouses and depots are now in course of erection. Up-to-date machinery is to be installed. A wharf and dock are being built, which will give the greatest possible facility for the reception and deposit of stores, with a consequent saving in the cost of handling and transport.

These ancillary organisations have been established the better to secure a proper division of the specialised labours entailed by the services they are called upon to perform. The new workshops will be capable of dealing with 50 per cent. more than the present rolling stock, while the more rapid overhaul and repair of vehicles will play an important part in the economies which this concentration is designed to effect.

ADVANTAGES OF TRAMWAYS OVER OMNIBUSES.

Much has been written and said in recent years about the comparative merits of tramways and omnibuses. In the larger and older cities of the world, where design and general conditions have lent themselves to the extensive accommodation of the motor-omnibus, it has without doubt justified itself. Whether it is superior to the tram as an efficient and desirable means of handling traffic in densely populated areas remains open to question.

Generally speaking, the traffic returns in any of the big cities of the world to-day prove the case for the trams, and assist towards a proper realisation of the indispensability of those vehicles to the modern transport requirements of large communities. In Buenos Aires, at any rate, after 51 years of operation, we find the public still showing a preference for the tramways over other public vehicles.

Although omnibuses are a valuable auxiliary, it seems not unreasonable to believe that for many decades yet tramways will maintain and even develop their supremacy as the city's safest and most efficient means of communication.

TRIBUTE TO STAFF.

Before concluding these observations, it affords me satisfaction once more to place on record the happy relations existing between the administration and the employees of the company. We have never failed to take every opportunity of evincing our appreciation of long service and support.

Our report always contains reference to the social work which we have carried out for many years, particularly through the Mutual Aid Society and the Sandford Home.

An interesting ceremony took place on May Day in one of the large theatres in Buenos Aires. In the presence of the Lord Mayor of the city and of other officials, our manager (Mr Rongé) presented those guards and motormen who have been for twenty-five years in our service with a small present and a medal struck in celebration of the event, and 372 men were so honoured. It was a ceremony with which we on this side like to associate ourselves, for it indicates the good feeling which has always marked our relations with our men.

The Rt. Hon. Lord Wargrave, P.C., seconded the motion, which was carried unanimously.

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

THE IMPERIAL BANK OF PERSIA.

STEADY PROGRESS OF BUSINESS.

The thirty-ninth ordinary general meeting of the members of the Imperial Bank of Persia was held, on the 2nd instant, at Winchester House, London, E.C., Sir Hugh S. Barnes, K.C.S.I., K.C.V.O. (the chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said: Before I deal with our report and the accounts, I propose, as usual to take advantage of this occasion to mention a few of the more important events that have taken place in Persia during the past year. One rather unexpected occurrence has been the resignation, or rather the departure, at the end of their term of service, of the American financial adviser, Dr Millspaugh, and the bulk of his staff. It will interest you to know that the Persian Government has appointed Dr Lindenblatt, a German banker, in Dr Millspaugh's place, and this gentleman arrived in Teheran a few weeks ago.

Another very interesting move on the part of the Persian Government has been the decision to commence the construction of what is intended ultimately to be a Trans-Persian Railway from the Persian Gulf to the Caspian Sea. Apparently it is not yet decided whether in the south the railway will start from Mohammerah or Khor Musa.

NEW TREATY.

I mentioned last year that in order to get rid of the capitulations conferring on foreigners resident in Persia the privilege of extra-territorial jurisdiction the Persian Government had renounced its commercial treaties with the various European Powers and the United States. These treaties came to an end on May 10th last. With effect from that date, the British Government had concluded a fresh treaty with Persia dealing with commercial matters only. The treaty recognises Persia's full autonomy in regard to Customs duties, and provides that British goods entering Persia shall enjoy the benefit of the minimum rates of the Persian tariff in force, and shall not be subject to any import taxes higher than those imposed on similar goods imported from other foreign countries. As regards the exercise of their novel jurisdiction over foreigners, the Persian Government, in order to allay anxiety, has communicated to the British Minister a Note laying down in considerable detail the rules of procedure their courts will be expected to observe in cases, both civil and criminal, in which British nationals may be concerned.

The trade figures for the past year to March last, which have been telegraphed from Teheran, show a slight decrease compared with last year. Imports at 81,000,000 tumans are better by two million tumans, but exports, including oil, at 106,500,000 tumans, show a falling off of 3½ million tumans.

THE ACCOUNTS.

As regards the accounts, gentlemen, I do not think you will expect me to say very much, as they are in the usual form. From the balance-sheet you will notice that our operations during the year shows steady progress, which is a matter for congratulation, seeing that trade has not been as active as we hoped. But you will see that on the assets side of the account we possess no less than £3,753,885 in cash and money at call, and we also hold securities easily realisable to the amount of £3,003,719, so that we are in a position to deal with any demands that may be made on us if trade revives. These two items show a marked increase on last year's figures, owing chiefly to the increased deposits lodged with us temporarily by the Persian Government, mainly out of the proceeds of the surtax on tea and sugar. These deposits will no doubt be gradually withdrawn when expenditure on the railway beings in earnest, and the circulation of the money should tend to improve trade.

Owing to the practice of steadily writing down the value of our bank premises by £30,000 a year, the figure under this head has been reduced to £23,825, although we have incurred considerable expenditure on our new buildings in Basra, Teheran, and Isfahan. The new offices in Isfahan have been completed. On the liabilities side you will observe that notes in circulation show the considerable increase of £373,031. This is partly owing to the dearth of silver coin to which I have alluded, and I have already explained the reason for the increase in deposits, which have risen from £6,483,000 to £7,804,000. The profit and loss account needs no explanation. Our disposable balance is £169,646 5s 4d, almost the same as last year, and we dealt with it in the same way, with the difference that in place of a dividend of 6s and a bonus of 1s per share, we propose to pay a final dividend of 7s. You will see that with the proposed transfer of £50,000 to the reserve account our reserve will now stand at £570,000, or only £80,000 less than our issued capital. With ordinary good fortune we may hope that in two years at most it will equal our capital, an aim which, with your approval, we have always had in view.

The report and accounts were unanimously adopted.

ARAMAYO MINES OF BOLIVIA.

GOOD RESULTS AND PROSPECTS.

The eighth ordinary general meeting of Compagnie Aramayo de Mines en Bolivie was held, on the 30th ultimo, at the company's offices, 16 Quai de la Poste, Geneva, Mr Carlos V. Aramayo (the chairman) presiding.

The Chairman said: The balance of profit and loss at December 31, 1927, as remitted by the local management in Bolivia, shows a profit of Fr.8,396,965.98 (£335,879) as the result of the year's work.

The rate of exchange of the Bolivian dollar has risen from Fr.1.80 in 1926 to Fr.1.86 in 1927, causing a credit to the profit and loss account of Fr. 279,821.47 (£11,193). For Bolivian taxation Fr.1,995,773.57 (£79,831) have been deducted, thus making provision for the payment of taxes on liquidating this account in the present year. On the other side, the profit is increased by the sum of Fr.251,356.70 (£10,054), obtained from interest on deposits and investments. With the adjustment of the above items the profit in 1927 works out at Fr.6,932,370.58 (£277,295) as compared with Fr.6,989,019.27 (£279,561) in 1926.

SALES OF VARIOUS PRODUCTS.

The sale of black tin during the period under review was 4,045.0 tons, at an average price of £143 18s. 10d., against 3,312.65 tons sold in 1926 at an average price of £143 16s 3d. The sale of silver, in the form of precipitated sulphide was 1,629,427.90 troy ozs, at a price of 26.7d, against 1,775,358.5 troy ozs, at a price of 30.9d in 1926; and that of rich silver shipping ore was 63,110.45 ozs at 22.8d, as against 75,734.79 ozs at 29.6d in 1926.

The sale of copper cement was 323.96 tons, at an average price of £30 4s 1½d per ton, against 299.40 tons at an average price of £34 0s 3½d in the preceding year.

The sales of bismuth have been about the same in total value, the amount sold being larger, but the price lower than in the previous year.

The total output of black tin (60 per cent. concentrates) in the various mining sections of the company was 4,248 tons, as compared with 3,330.65 tons in the previous year. The production of silver, in precipitated sulphides, rich shipping ore and copper cement, amounted to 1,722,195.76 troy ounces, against 1,752,351.52 troy ounces in 1926.

The output of copper cement was 324.24 tons, as against 316.12 tons in 1926, and that of metallic bismuth in bars, residues and export ores, was 68,312 tons, against 133,305 tons. The mining and smelting of bismuth was again restricted during the year, in view of the market situation.

The cost of production of black tin was £73 19s 3½d per ton, as compared with £67 15s 7½d in 1926.

WORK IN THE MINES.

The total number of metres driven during the year was 1,432.70 metres, as against 950.25 metres in 1926. There was an increase in Chocaya of 434 metres, and of 142.10 metres in Tasna Tin Mines; while there was a decrease of 89.70 metres in the Tasna Bismuth Mines, and of 3.95 metres at Chorolque, as compared with 1926.

Below the level of San Bartolomé adit in Chorolque the large water-logged caverns, mentioned in last year's report, have been found to continue in depth, and thus no immediate relief may as yet be expected from the unwatering proposition which we have had to face. As it was found that the existing pumping apparatus was not reducing the volume of water fast enough, it was decided to send out a new Sulzer pump, which has quite lately arrived and been installed. The water level has been reduced to 50 metres below the shaft collar, and may now be expected to sink very much more rapidly. Mining work has proceeded in depth as the water fell, and the sinking of No. 1 shaft has been resumed and continued to a depth of 32 metres. This shaft, which is only being used for the extraction of ore and waste, has been timbered and equipped with haulage facilities. Development by galleries on the various lodes is being hurried forward at the 32 metre level, and it is hoped that these may soon prove the existence of a sufficiently important mining field to justify the driving of a deep level tunnel, which would open up new ore reserves and prolong the life of this section.

The important part that this zone, below San Bartolomé, has played in the course of 1927 may best be gauged from the fact that it supplied 90 per cent. of the ore milled and 65 per cent. of the black tin produced at Chorolque in 1927, and that the section's output of black tin for the year exceeded that of 1926 by 392.85 tons.

ORE RESERVES.

At Chocaya, in view of the experience acquired in the last few years, it was decided to modify the methods hitherto used for the calculation of ore reserves. A higher factor for specific gravity has been adopted, which is still 12 per cent. below the theoretical one, and the assay values for silver and tin have been written down.

The mine assay plans so revised show that 43,199 tons of ore have been developed during the year, of which 33,634 are considered of a payable grade, viz., 22.40 ozs silver and 3.22 per cent. tin, the samples having been cut over an average width of 62 centimetres, bringing the reserves of ore prepared for extraction on December 31, 1927, to 317,720 tons, carrying 50.42 ozs silver per ton and 4.43 per cent. of tin. The ore reserve figures given in the previous year's report were 281,638 tons, containing 78.42 ozs of silver per ton and 4.825 per cent. tin.

The tonnage of milling ore extracted from the mine in 1927 was 49,271.3 tons, assaying 5.206 per cent. tin and 48.43 ozs silver per ton, the corresponding figures in 1926 having been 38,715.8 tons, with 5.805 per cent. tin and 58.66 ozs silver.

The tonnage of ore milled (after kiln roasting) has been 44,167, assaying 5.703 per cent. tin and 52.68 ozs silver, as against 35,473.40 tons in 1926, assaying 6.32 per cent. tin and 62.21 ozs of silver per ton.

The tin-dressing plant of the Telamayu mill, which concentrates the silver lixiviated tailings of the Chocaya ore, handled 40,108.52 tons, assaying 6.21 per cent. tin, in 1927, as compared with 32,197.84 tons, carrying 6.9 per cent. tin, in 1926.

CURRENT YEAR'S OUTPUT.

During the first five months of the present year nearly 20,000 tons of Chocaya ore have been milled.

The total output of products to May 31st this year has been 1,788 tons of tin barrilla, against 1,791 tons in the same period of 1927; 738,000 ozs of silver, against 669,000 ozs, and 86 tons of copper in cement, as against 76 tons.

Your managing director paid a visit to the properties in November last and remained there until March. One or two changes were made in the organisation, the most important of which was the appointment of Mr Jeffery to be engineer-in-chief, with residence at Quechisla, from where he controls the technical work at the various mining sections; and the appointment of a separate mine management at Chorolque. The whole staff, under the very able direction of the sub-general manager, Don Carlos Navarro, continues to give every satisfaction.

Your board would have every reason to look with confidence upon the future of the mines were it not for the menace of constantly increasing taxation, which is calculated to discourage the further investment of capital in the properties.

ALLOCATIONS.

Having regard to the results shown in the accounts presented to you and the general financial situation of the company, the board propose that you should approve the payment of the four interim dividends during the year 1927, amounting to 20 per cent., to declare a bonus of 10 per cent. for the year 1927, representing Fr.2,520,000 (£100,800), to transfer to statutory reserve the sum of Fr.350,000 (£14,000), and, after deducting the sum of Fr.1,750,000 (£70,000) capitalised by the issue of bonus shares, to carry forward the balance of Fr.3,933,804.15 (£157,352).

After the reading of the auditors' report the following resolutions, proposed by the board, were carried unanimously, namely:—

The meeting approves the statement of accounts presented for the year 1927, and gives entire discharge to the directors, especially to Mr Charles V. Aramayo, as regards the management of the company's affairs in his capacity as managing director.

The four interim dividends, totalling 20 per cent., paid during 1927 are confirmed.

The declaration of a bonus of 10 per cent. on the capital of Fr.25,000,000 also for 1927 is approved, as well as the transfer to statutory reserve of Fr.350,000 (£14,000), and the balance of Fr.3,933,804.15 (£157,352) is carried forward.

TRIBUTE TO MANAGING DIRECTOR.

Mr Alberto de Aguilar, in the name of a group of shareholders, referred to the recent visit of the managing director, Mr Carlos V. Aramayo, to the company's properties, and to the continued valuable services rendered by him to the company. In this connection Mr Aguilar expressed the opinion that the articles of association should be so modified as to allow of such services being recognised in practical manner by the shareholders, permitting them to increase the remuneration of the managing director as and when they deem fit.

Mr Martin and Mr Charpentier supported the above expression of opinion, and it was unanimously decided to request the board to propose such modification of the articles of association at the next general meeting of shareholders.

The chairman informed the meeting that the board had decided to pay a third interim dividend on account of the current year, payable on August 1st next, together with the bonus of 10 per cent., to all shareholders. That is to say, as far as the registered holders are concerned to all those registered on the books of the company on July 20th.

The proceedings then terminated.

(Note.—Francs have been converted at 25 to the £.)

PARENT TRUST AND FINANCE COMPANY, LIMITED. **HIGHEST PROFITS SINCE 1900.**

The thirty-first ordinary general meeting of the Parent Trust and Finance Company, Limited, was held, on the 5th instant, at the Hotel Cecil, Strand, London, Sir Arthur du Cros, Bart. (the chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said: The figures of the balance-sheet show but slight variations over those of last year. The investments are higher by £237,000, this increase being balanced by additions to the liabilities and a decrease of the net liquid assets and sundry creditors.

Although the profits shown were the highest recorded since 1900, the revenue accruing from investments was less by some £30,000. This difference was more than made good by the trading business of the company. So far, in respect of the large investments held by the company in real estate, no credit has been taken in the profit and loss account for appreciation, and no revenue in other than interest on debentures, notes and loans.

DIVIDEND AND CARRY-FORWARD.

We have followed our usual practice in regard to dividends. The preference and ordinary shares have been paid in full. The final dividend of 12½ per cent. which will be proposed on the deferred shares, making a total of 20 per cent. for the year, will leave a balance of over £100,000 to be carried forward, or £17,000 more than last year. The carry forward is now more than sufficient to cover a full year's dividend on the preference and ordinary shares.

The item of investments is the figure in the balance-sheet in which the shareholders will be most interested. The general investments and loans are considerably spread, and may be classified as follows:—Bonds, debentures and loans, 42 per cent.; preference and preferred ordinary shares, a further 33 per cent.; and ordinary and deferred shares the remaining 25 per cent. There remains the item of investments in allied companies; these are represented and covered by the tangible realisable assets of those companies.

The great majority of the freehold real estate investments of the company are situated in London. Of the total figure of the investments appearing in the balance-sheet at just £4,229,000, over £1,600,000, or nearly 40 per cent., is represented by securities based on freehold real estate.

COVENT GARDEN PROPERTIES COMPANY.

Some particulars in regard to these holdings may be of interest. We hold a controlling interest in the Covent Garden Properties Company, Limited. The assets now consist of freehold properties in the Covent Garden area, the Market, and the important properties recently owned by Lord Derby in Bootle, Liverpool and district, which were purchased in part out of the proceeds of the patent medicine business. These properties consisted of ground rents bringing in some £83,000 per annum, freehold properties let on short leases, as well as some rack rents and freehold land still vacant for development. The ground rents are abundantly secured and absolutely safe, being covered by rack rentals for the most part from six to ten times, the whole property being valued at nearly two and a-quarter million pounds. Some idea of its magnitude may be gathered from the fact that it consisted of 22,000 houses, shops, works, and other properties.

We have further definite plans for the development of the Covent Garden Company, which already is one of the largest and strongest property companies in the kingdom.

CITY OF SAN PAULO IMPROVEMENTS AND FREEHOLD LAND.

Another real estate investment to which I made particular reference a couple of years ago is that in the City of San Paulo Improvements and Freehold Land Company, Limited. When I last mentioned the matter here the £1 shares stood at about 9s, and I recommended shareholders to examine and appraise the then forthcoming balance-sheet for themselves. We ourselves retained and added to our holding, and the shares are now quoted at 22s 6d, an important appreciation of value which has helped to strengthen our internal position.

The Chairman of the San Paulo Company recently pointed out to his shareholders that, subject to trifling expenditure, quite £2,000,000 in value of land is now developed, and is being steadily sold. A further and larger area of greater potential value remains for future development, and the company possesses other important assets in the form of cash and book debts. I again advise shareholders to examine this company's balance-sheet and satisfy themselves as to the sound position of the company's affairs and the intrinsic value of this investment.

FOUNDLING ESTATE.

Another and the largest of our property investments is that of the Foundling Estate. It is very centrally situated within a network of railway, bus and tram services, and contains some 700 properties, the majority on short leases. The appreciation of values and increase of revenue which the directors looked for

have been steadily taking place. I see no reason to modify my statement of last year, that the net rental which in 1925 was about £44,500 net, should double itself by 1935, and after 1940 should exceed £113,000 per annum, not £107,000, as I said last year.

None of the figures I have quoted take into account the revenue which will accrue from the vacant Central site of nine acres, as to which there has been considerable comment in the Press and elsewhere during our ownership of the estate.

The company's position on this matter can be stated in a few words. The site is a very valuable one, and we see our way quite clearly to develop it successfully. We can realise the full value of the land, and obtain in addition a very satisfactory revenue upon our building expenditure. We would have proceeded with our plans before now had it not been that a strong sentimental feeling exists that this site should be preserved for some purpose analogous to the main purpose of Thomas Coram, the creator of the Foundling Charity. That, I should have thought, was a question more for the vendors of the property than the purchasers, but, nevertheless, we have been very sympathetic to this idea.

SHAREHOLDER'S VIEW.

The publicity has brought me several communications from shareholders, and their views may be summed up in an extract from one letter which I will read. The writer, whom I do not know, remarks that "business is business and charity is charity. I am quite able," he says, "to manage my own donations to charity. I think the Foundling Site question is one of business pure and simple, and trust your board will deal with it on these lines." From a strictly business standpoint we can hardly quarrel with that view, but nevertheless, I trust the shareholders will accord the directors a considerable amount of latitude in the special circumstances of this case. In no case, however, could we consent to the sale of this part of the Foundling Estate at a loss to our shareholders.

We continue to receive satisfactory reports from the Durban Property Company, in which we have a predominant interest. The bridge over the Umgeni river was recently opened by the Earl of Athlone, Governor-General of South Africa. This bridge gives direct access to the estate, and brings it within twenty minutes' motor run of the centre of the City of Durban. It will be remembered that the property consists of some 1,200 acres running down to the sea. Sales of land have been maintained at a steady rate, and the investment is working out satisfactorily according to plan.

This company also holds a substantial investment in Grand Buildings (Trafalgar Square) Limited. Its situation is one of the most commanding in London, and 90 years ago was described by Sir Robert Peel as "the finest site in Europe." The reconditioned property has been valued at over £1,000,000, and we have no doubt but that it will prove to be one of the most successful of the many undertakings of this class in London.

In addition to these real estate investments, we are large holders of many widely spread industrial investments such as:—

IN DEBENTURE STOCK AND PREFERENCE SHARES.

Denman Picture Houses.
B.S.A. Debentures, Hall Lewis Notes.

IN PREFERENCE SHARES.

Drapery Trust.
Associated Theatre Properties.
Beecham's Pills.
Dunlop Rubber "C."
Gaumont Pictures.

IN ORDINARY SHARES.

Corporation and General Securities.
Associated Fire Clay Companies.
Denman Street Trust.
Hoffmann Manufacturing Company.
International Tea Stores.
Joseph Lucas, Limited.
H. C. Stephens, Limited; and others.

Taking one thing with another, however, the directors have every reason to be satisfied with the year's results, and, as stated in their report, with the general strengthening of the position of the company which has taken place.

SEPARATING INVESTMENT AND FINANCE BUSINESSES.

Shareholders will also have gathered from the report that the directors have been engaged upon a steady consolidation programme with a view to the separation of the business into that of an Investment Trust Company on the one hand, which will be free from the risks of a trading business, its investments being published from year to year in the usual way, and a Finance Company on the other hand, which will carry on its trading business as a separate concern. The details of the scheme have not yet been finally decided. They will be put forward for discussion at an extraordinary meeting, which will be called for this purpose in due course.

The report and accounts were approved, and the usual formal business terminated the proceedings.

GENERAL ELECTRIC COMPANY, LIMITED. **INCREASED DIVIDEND—PEACE IN INDUSTRY.**

The annual general meeting of the General Electric Company, Limited, was held, on the 3rd instant, at Magnet House, Kingsway, London, Sir Hugo Hirst, Bart. (chairman and managing director), presiding.

The Chairman, in moving the adoption of the report and accounts, said the only striking feature was the recommendation of a dividend of 10 per cent.

After referring to recent dealings of the company's shares in America, he said:—"We believe the electrical industry is destined to play a most important part in the development of Empire. We believe our company holds a marked and leading position in the British electrical industry, and it might cause great embarrassment some day if it were found that too big a proportion of shares are held in non-British hands. I am speaking not from the personal but entirely from the national point of view. We therefore propose to watch, so far as we can, the progress of this movement and, should we find that an undue proportion of our shares wanders into foreign possession, it may be necessary to introduce measures which keep that movement in check within certain proportions, so that the control at all times should remain with British shareholders residing within the Empire."

Continuing, he went on to say that the actual increase of profits over those of the previous year did not seem to justify the increased dividend which they had recommended. He was mindful, however, of the board's promise made two years ago to the ordinary shareholders, who had been long-suffering and patient, that, whenever they saw something like stability in outlook at about the earning capacity which they had then had they would feel it their duty to consider them. Since the shock of 1922 both debenture-holders and preference shareholders had received an adequate return, but the ordinary shareholders had had to wait until depreciations and reserves had been built up so as to give them the strong position which they enjoyed at the present day. The board felt that their promise to the ordinary shareholders was now due.

In spite of the sluggishness in the important heavy industries, this company had been able to do an increased business, and by such increase to make good the drop in prices and the loss of business in certain essential departments. That increased business he ascribed entirely to the peace in industry which they had enjoyed during the past year. The advance which had been made by the company was mainly due to the slow but definite improvement noticeable during the last six months of the year under review, and present conditions seemed to indicate that that improvement would continue. He had a feeling that peace in industry would now have a real chance for the next few years, in spite of the endeavours of a few extremists to wreck it.

As regarded the electrical industry itself, it was, as ever, full of promise. The working of the Electricity Act was progressing satisfactorily, but had, as yet, not influenced their accounts. He had always maintained that it would take some four or five years before that Act made its imprint on their balance-sheet, yet psychologically it had been of great use already. It had helped to educate the general public in the greater use of electricity. A variety of demands had been created, and gradual reductions in the price of current throughout the country had encouraged a demand for appliances. Increased production of appliances cheapened the price, and should prove a distinct aid to the expansion of the company's export business. More than 20 per cent. of their total output had gone overseas during the past year.

During the year they had obtained from the Underground Railway an order for 920 traction motors and control equipment for 63 motor coaches and 107 tractor cars. That was one of the biggest orders ever placed in this country for that class of work. They had a contract for the new power station at Birmingham for over half a million, which included two turbo-alternators, each of 30,000 k.w. capacity, in addition to the switchgear, transformers and motor generators.

Great attention had been given during the past year to the development of industrial electric heating, and household appliances of every description had been developed. They hoped to enter the market for refrigeration plants, and they had continued to develop their studies of new systems and principles of illumination. They had solved the problem of the electric lighting of lighthouses, and the co-ordination of the electricity supply of the country through the Electricity Commissioners' schemes of overhead transmission had found them prepared.

In conclusion, he announced that he had been invited to be a member of a mission to Australia to study not only how to improve the business relations between two of the most important parts of the Empire, but also how to increase the productivity and prosperity of each without detriment to the other.

The report and accounts were unanimously adopted.

NIRMALA (JAVA) PLANTATIONS AND LANDS COMPANY, LIMITED.

EFFECTS OF BLIGHT—RUBBER POSITION.

The annual ordinary general meeting of the members of the Nirmala (Java) Plantations and Lands Company, Limited, was held, on the 3rd instant, at the registered office of the company, Fenchurch House, 5 Fenchurch street, London, Mr Walter Hilliers (the chairman) presiding.

The representative of the secretaries (Messrs Rowley Davies and Co., Limited) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said that the disappointing tea crop was so very largely due to mosquito blight that it was hardly necessary to refer to any other causes contributing to this result. So far planting experience had not found any effective means of overcoming the pest, and they had to rely almost entirely on cultivation in order to strengthen the bushes against recurring attacks. This work was receiving every attention, and serious as the trouble was, there was no cause for undue anxiety.

Profits were affected also by the fact that tea prices were not remunerative enough to allow buying green leaf from native planters. If market prices improved or it became possible to buy green leaf sufficiently cheaply, this item of revenue might be resumed.

Of rubber they produced about 19,000 lb more than the quota under the restriction scheme. Having regard to the situation of the British planting industry, the directors, taking every factor into account, decided to cover their satisfactory forward sales and for the time being, to stop production on one division and give the trees a complete rest. Such sales had been covered at current market prices and a substantial profit realised. The forward sales for 1929 had also been covered at about present values, and about one-half of the 1930 sales. One division producing some 7 tons monthly was working at a cost approximately equal to current market prices, or somewhat lower.

Owing to market conditions, the exploitation of the recently acquired Sumatra estate could not be proceeded with at present. The balance-sheet showed a satisfactory financial position, and month by month they received the proceeds of forward sales. Substantial progress had been made with the negotiations with the Government of the Netherlands East Indies in regard to expropriation.

The report and accounts were unanimously adopted, and a dividend of 2½ per cent. on the ordinary shares was declared.

AMALGAMATED DENTAL COMPANY, LIMITED. **IMPROVED RESULTS AND PROSPECTS.**

The twenty-third annual general meeting of the Amalgamated Dental Company, Limited (and the fourth under amalgamation), was held, on the 5th instant, at the Hotel Cecil, Strand, London.

Mr E. Russell Polden, who presided, said that the spade-work of the amalgamation was about finished, and the improved results of last year were, in some measure, due to the success which had undoubtedly followed. The gradual stabilisation of currencies in European countries had, of course, been a very great advantage to traders, and it was particularly of good omen that France had now stabilised the franc; its effect would certainly be far-reaching and encourage greater international trading. The company's interests in France were of considerable importance, but unfortunately the general tendency of the dental retail trade in the immediate past had been towards demoralisation through keen competition. They had reason to believe that the situation would improve in the near future to the advantage of the dealers, who were entitled to a fair return on their capital and on the work involved.

Owing to the past depreciation of the franc and the closing down of their Joinville factory in Paris, the losses were considerable, but the directors were satisfied that the prospects were now distinctly brighter, and, taking the European Continent as a whole, they might be well satisfied with the results of the year. The home business had also progressed with satisfactory results, and their factory at Walton-on-Thames had sensibly increased its output, due to current demands of the many dental lines produced there.

There was a material improvement in the profit from trading, &c., compared with the previous year, £217,000 against £194,000, or an increase of over £23,000. After making allowances for taxation and the preference dividend and transferring £20,000 to reserve account, there was a balance available for appropriation of £132,000. Out of that the full 8 per cent. cumulative preferred ordinary share dividend would be provided, and the directors were pleased to be in a position to recommend for the first time a dividend on the deferred ordinary shares of 3d per share, free of income-tax—being at the rate of 6½ per cent. gross. It was a modest beginning, but he hoped it was an augury of better things to come, and shareholders might be assured that no effort would be spared on the part of the directors and the staff to bring about such a result.

The report and accounts were unanimously adopted.

BANK OF ROUMANIA, LIMITED.

CHAIRMAN'S REVIEW OF CONDITIONS IN ROUMANIA.

The ordinary annual general meeting of the Bank of Roumania, Limited, was held, on the 4th instant, at Winchester House, London, General the Hon. Sir Herbert A. Lawrence, G.C.B., presiding.

The Chairman, in moving the adoption of the report and accounts, said that the balance available, after making provision for bad debts, income-tax, &c., amounted to £12,223. An interim dividend of 3s per share, less income-tax, was paid on December 22nd last, and the board now recommended the payment of a final dividend of 3s per share. The severe stringency of money, the disappointing result of the harvest, and the unsatisfactory state of the oil industry had had a restrictive influence on trade generally in Roumania last year, particularly in the closing months, and that had affected banking transactions, and consequently earnings. The rate of exchange, however, had, in the circumstances, remained surprisingly steady. In August last year the rate had stood at 800 lei to the £, and it had remained at approximately that figure up to the present. The absence of any violent fluctuations in the rate had served to attract a certain amount of foreign money to Roumanian industries. The note issue of the National Bank had remained more or less stationary, a slight increase being registered from 20,950 million lei to 21,026 millions.

The Budget for the year showed little change, and, excluding railways and postal and telegraphic services, provided for an expenditure of 38 milliards of lei, as against 34 milliards last year, the difference being accounted for by a general increase in all departments. Mr Vintila Bratianu pointed out that the present Budget was for the sixth period in which expenditure had been kept within the margin permitted by revenue. The increase year by year of the revenues, he explained, had been utilised to make more adequate provision for the public services, to provide for the gradual liquidation of the burdens left by the war, and to cover the needs arising through the increase of territory under the Peace Treaty.

Turning to the commerce of Roumania for 1927, exports had again exceeded imports, in spite of an indifferent harvest. In 1925 there had been an adverse trade balance of 1,000 million lei, but in 1926 the exports had exceeded imports by 4,000 million lei. In 1927 the trade balance was again favourable by the same margin as in 1926. Trade between Great Britain and Roumania had remained steady.

Although the total output of oil was further increased, the year had been a difficult one for the oil industry.

The report and accounts were unanimously adopted.

TWYFORDS, LIMITED.

"VERY SUCCESSFUL YEAR."

The annual general meeting of Twyford's, Limited, was held, on the 29th ultimo, in London.

Mr J. T. Webster, J.P. (chairman and managing director), in moving the adoption of the report and accounts, said he was happy to report a very successful year. The result was reflected in higher profits of £54,990, as against the previous £38,704. The total available for appropriation was £94,988, including £39,998 brought forward. An interim dividend of 1s per share had been paid, and it was proposed to pay a final dividend for the year of 2s per share, to transfer to reserve £9,445, to employees' pension and benevolent fund £5,000, and to carry forward £38,709.

The company's investments remained in securities of the highest class, due provision having been made for possible depreciation. Their property and plant had been improved and extended during the last few years, rendering it desirable to have a revaluation. Without including anything for trade marks, patents, copyrights and goodwill, the directors were satisfied that the balance-sheet figure of £270,000 represented a safe and sound value. The board considered that the items of goodwill, &c., should now be entirely eliminated from the balance-sheet; also that the time had arrived for dealing with the reserve account, which would now stand at £164,445. The recommendations of the directors were, briefly, that the shareholders should receive 6 per cent. debenture stock of 5s for each share held, and a fully-paid £1 for every four shares held. The directors considered that, so long as demand enabled them to maintain a normal output with selling prices at a reasonable level, the return to the shareholders would be such as to afford no cause for diffidence. The company's markets covered a very wide field, and, although trade was not too bright in some centres, the indications on the whole, both at home and abroad, were favourable so far as volume of business was concerned. The trend of prices, however, was less reassuring, mainly owing to the expansion of Continental competition. British Sanitary Potters did not fear competition from

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anywhere on equal terms, but it seemed needless to comment on the unfairness of foreign sanitary pottery, produced by lower-paid workers, having unrestricted entry into this country. He was glad to say that the committee appointed by the Government to consider the application of the British Sanitary Ware Manufacturers that imported pottery should bear some indication of its foreign origin had reported favourably. What effect competition was likely to have on selling prices it was impossible to forecast, but the company's manufacturing facilities had never been so satisfactory as to-day, and their sales organisation was equally well placed.

Mr A. C. Bourner seconded the motion, which was carried unanimously.

AKIM, LIMITED.

SIR OFORI ATTA'S ADDRESS.

The sixth ordinary general meeting of the shareholders of Akim, Limited, was held, on the 29th ultimo, at Winchester House, London, Mr Francis Allen, J.P., presiding.

The Chairman, having referred to the company's various interests and reviewed the balance-sheet, moved the adoption of the report and accounts.

This was seconded by Mr Henry Higgins and carried unanimously.

At the conclusion of the formal business,

The Hon. Nana Sir Ofori Atta, K.B.E., the Paramount Chief of Akim Abuakwa, addressed the meeting as follows: I regard this as a very great opportunity, gentlemen, because I feel that, whatever you may have been told of the country in which you have invested so much of your money, you will be interested to hear from one who comes from the place, first-hand information as to the position of affairs there. By the grace of God and the goodwill of my people, I am the ruler of that State known as Akim Abuakwa, in the Eastern Province of the Gold Coast Colony. It was in my State, I believe, that gold was found by the earliest explorers, and it was on that account that the country was called by the English people the Gold Coast.

I must express my sympathy with you that it has taken so long for you to prove that the gold in your mine is a paying proposition, and that you have not derived from it the profit you might have expected. Your method of working the gold is different from ours, and I am sure it is better.

But, apart from gold, you have diamonds. It is lucky for you that when your lease was being prepared we did not know that there were diamonds there at all. The rights were leased to you for winning gold, but the rights embraced in that document enable you to get the diamonds without paying for them. It has been proved that we have diamonds, and it will be surprising to me if in time you do not succeed in developing a strong diamond field. There will be no further stipulations as regards rights in the matter of diamonds, because you will be entitled to the diamonds just as you are entitled to the gold.

In my dual capacity as Paramount Chief, which has imposed upon me the duty of looking after the interests of my people, and as a director of your company, which places upon me the obligation of looking after the interests of the shareholders, I shall do all in my power to see that your labours are not in vain.

On the motion of Mr Bell, a hearty vote of thanks to Sir Ofori Atta was carried with acclamation.

SPIERS AND POND, LIMITED.

SUCCESSFUL YEAR—INCREASED PROFITS.

The forty-fourth ordinary general meeting of Spiers and Pond, Limited, was held, on the 4th instant, at the Hotel Cecil, London, Mr J. Douglas Broad (the chairman) presiding.

The chairman, in moving the adoption of the report and accounts, said the profit and loss balance showed the substantial increase of £31,024. Continuing, the Chairman said: Though I am not able to report that during the year under review we have added to your property, we have been by no means idle; numerous proposals have been submitted to and examined by us, and since the close of the year we have acquired the Grand Hotel at Scarborough and also the control of a company owning five shops in a provincial town. We are of opinion that the terms upon which these properties have been acquired should prove profitable investments.

Replying to a letter received from a shareholder, the Chairman said: The question of depreciation and renewals, &c., is a very important one. I have had taken out by our accountant a few figures covering the period from 1919 to 1928—i.e., ten years—and I think they will interest you. In this period our profits available for distribution—i.e., after provision for debenture interest and sinking fund and all other charges—have totalled £1,034,430. Before arriving at that figure we have charged to profit and loss account £265,372 for maintenance and depreciation, £455,260 for renewals, and £43,550 for amortisation of leases—in other words, there has been a charge against profits in this period of £764,182, or an average of over £76,000 per annum.

The profits in this period of ten years total £1,034,430, after charging the above sum of £764,182 and a further sum of £72,835 for debenture redemption. Out of that, the statement I have shows that we distributed the sum of £785,648 by way of dividend. That for the period of ten years totals 120 per cent., or an average annual dividend of 12 per cent. per annum, to say nothing of the bonus issues which have been made. The balance of the profits has been retained to further improve the reserves and the financial stability of the company, and it is a record of which we may be proud.

Replying to the second question, I have to say I regret that we receive no fees whatsoever from the subsidiary companies.

I do not care to forecast the results of the current year's trading, but I can without prejudice to the future tell you that so far as the current year's operations are gone, your directors are quite satisfied with the result of the trading figures, and unless unforeseen circumstances arise we see no reason why we should not have a successful year.

Mr James Davenport seconded the motion, which was carried unanimously.

TELOGOREDJO UNITED PLANTATIONS, LIMITED.

CONSUMERS AND THE FUTURE OF RUBBER.

The eighteenth annual general meeting of Telogoredjo United Plantations, Limited, was held, on the 3rd instant, at Winchester House, London, Major C. C. L. Fitzwilliams, M.C., presiding.

The Chairman, in moving the adoption of the report and accounts, said the profit of the combined companies amounted to £101,342. It was proposed to pay a dividend of 10 per cent., less tax, and carry forward £36,934. In regard to crops, they had to deliver over the years 1928-29 504,000 lbs of rubber under forward contracts at an average price of 1s 0½d per lb. The estimated crops for the current year were 3,150,000 lbs of rubber and 10,685 cwt of coffee.

Dealing with the rubber outlook, the Chairman said: To count on a big increase of production as soon as restriction is removed is, to say the least, counting upon a great uncertainty. Suppose, then, that instead of increased production, economic expediency results in a decrease, and that scarcity follows. Do consumers quite realise how very slowly an increase of demand can be met by countries which have to import their labour? Who can accurately forecast what demand will be? Who will dissipate cash reserves on the speculative importation of labour which may not be wanted? If the producers act cautiously they are safe. It is the consumers who will have to bear the brunt of acute scarcity if it is experienced.

Independent of all market manipulation, consumption steadily increases; in two or three years it may be greater than the existing sources of supply can meet.

Who is best able to stabilise the industry? On the one hand there are the consumers, a relatively small number, well organised, and mostly domiciled in America. On the other hand there are the producers, large in numbers and widely diversified racially and economically. They are incapable of being effectively organised—that and nothing else was the justification of legally imposed restriction.

The consumers could by a simple declaration that they are willing to buy all they require at a fair price of 1s 3d or 1s 6d per lb assure ample supplies for the future. They could put an end to violent fluctuations of price. Producers have no similar power.

The policy of consumers seems to be to take what advantage they can from the temporary power of the plantations to supply more than is wanted. Is a round-table conference of producers and consumers too much to hope for? It might be made enormously advantageous to both; it would imperil the interests of neither.

Mr R. F. McNair Scott seconded the resolution, which was carried unanimously.

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OHLSSON'S CAPE BREWERIES, LIMITED.

INCREASED PROFIT—GOOD PROSPECTS.

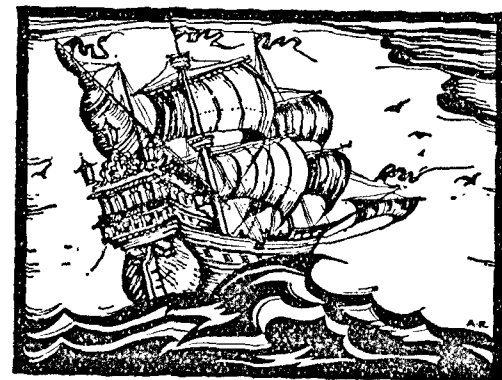
The ordinary general meeting of Ohlsson's Cape Breweries, Limited, was held, on the 5th instant, at the Great Eastern Hotel, Liverpool street, London, Mr. W. D. Buxton (chairman of the company) presiding.

The Chairman, after expressing regret at the death of Mr Gerald Buxton, the late chairman of the company, said that he was able to present a satisfactory account of the year's business. He might, perhaps, recall the comparative figures of profit on trading and rentals for the past four years from 1925 to 1928 inclusive. They were:—£100,000, £122,000, £141,000, and £162,000. That showed a steady growth in the profit-earning capacity of the business, which, so far as they had gone in the current financial year, he thought he could say was maintained. One gratifying feature of the business now was that their net profit from rentals, dividends on investments, interest, &c., more than covered debenture interest, preference dividends and all expenses of the head office, so that the profit on the sale of beer was available for the service of the ordinary shares, reserves and income-tax. They had made the usual provision of £10,000 for depreciation of plant.

Last year they had allocated out of the year's profit £20,000 to reserve for contingencies. Of that they had expended £11,990 during the past financial year, and had allocated to the account £30,000 out of the profits of the year in order to provide for further expenditure now in hand on improvements to, and extensions of, some of their licensed properties, as a result of which they would derive additional revenue from rentals.

The profit and loss balance was £97,234, to which they added the amount brought forward from the previous year, giving a total of £134,843, out of which was provided the dividend on the first and second preference shares, the interim dividend on the ordinary shares, and the transfer of £30,000 to reserve for contingencies, leaving £77,593, out of which they proposed to pay a final dividend of 7 per cent., less tax, at the rate of 2s in the £, making 10 per cent. for the year.

With regard to the future, so far as the general prospects of the country were concerned, he could not do better than repeat a statement by the governor of the South African Reserve Bank that



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from correspondents in various parts of the country he gathered that there was on the whole good ground for optimism about the immediate future prospects.

The report and accounts were unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	Mar. 31, 1927.	Dec. 31, 1927.	Mar. 31, 1928.	June 30, 1928.
2½% and 2½% Consols	573	300	300	300	300	300	300	300	300
Other Funded Debt	15	15	14	14	14	14	14	14	14
Term Annuities	30	20	14	13	13	12	12	12	12
4% Consolidated Loan	...	...	...	...	166	207	204	204	204
3½% Conversion Loan	...	...	666	709	760	852	832	832	832
4½% Conversion Loan	...	...	...	...	210	211	211	221	221
4½% War Stock	...	...	63	63	63	63	63	63	63
4½% War Stock	...	...	13	13	13	13	13	13	13
4½% and 5½% War Stock	...	...	2,047	2,166	2,052	2,109	2,154	2,253	2,253
National War Bonds	...	...	1,509	820	778	706	556	430	194
4% Funding Loan	...	...	409	314	303	390	389	385	385
4% Victory Bonds	...	...	360	457	499	482	454	518	733
Treasury Bonds	...	...	20	323	150	15	15	15	15
Exchequer Bonds	...	...	267	366	369	375	372	370	363
National Savings Certs.	...	...	1,306	1,128	1,124	1,111	1,103	1,097	1,097
Other Debt	...	...	...	...	...	...	...	...	...
American Loan (Anglo-French)	...	...	15	51	588	576	565	599	527
Treasury Bills	...	...	1	243	186	167	139	117	162
Temporary Advances	...	...	...	...	...	...	...	...	...
Other Capital Liabilities	654	8,033	7,641	7,598	7,558	7,555	7,732	7,527	7,601
Total Liabilities	711	8,079	7,707	7,666	7,633	7,633	7,832	7,628	7,704

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	June 30, '27.	Mar. 31, '28.	June 30, '28.	Week ended June 30, '28.
Outstanding	£ 25,750,000.	£ 250,000.	£ 250,000.	£ 250,000.
Advances by Bank of England	140,030,000.	161,850,000.	172,900,000.	3,800,000.
National Savings Certs.	575,310,000.	526,940,000.	580,655,000.	610,000.
Treasury Bills Outstanding	741,090,000.	638,790,000.	753,805,000.	4,660,000.

* Includes £6,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on June 29, 1928, and the total amount applied for was £73,725,000. For bills at 3 months, dated Monday to Friday, at £99 0s 8d, about 89 per cent.; Saturday at £99 0s 11d, and above in full. The amounts allotted were in bills at 3 months, £40,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
Apr. 27. 1928.	£ 30,000,000	£ 48,845,000	£ s d 3 18 5.49
May 4.	40,000,000	64,525,000	3 18 2.37
May 11.	40,000,000	56,980,000	3 18 0.42
May 18.	40,000,000	82,130,000	4 0 2.85
May 25.	40,000,000	59,535,000	3 18 7.61
June 1.	40,000,000	55,445,000	3 16 7.61
June 8.	35,000,000	53,050,000	3 15 1.45
June 15.	35,000,000	45,955,000	3 15 2.11
June 22.	25,000,000	43,275,000	3 16 4.92
June 29.	40,000,000	73,725,000	3 16 6.96

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank).

Established 1889.

Head Office: Helsinki (Helsingfors), FINLAND.
151 BRANCHES at all important business centres in Finland.

Capital ... Fmk. 200,000,000
Reserve Fund and Profits ... " 203,000,000
Total Assets (31/12/27) ... " 2,678,970,000

All descriptions of banking business transacted.

Telegraphic Address: KANSALLISPANKKI.

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.					
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.	Govt. Securities.	Balance at Bank of England.
Mar. 26. 1924.	281,538	11,908	7,000	27,000	22,450	17.6	236,867	130
June 25. 1924.	290,316	12,472	7,000	27,000	22,450	17.0	246,198	140
Sept. 24. 1924.	285,592	12,227	7,000	27,000	22,450	17.3	241,185	184
Dec. 31. 1924.	296,261	12,812	7,000	27,000	26,950	18.2	248,111	132
Mar. 25. 1925.	284,256	11,882	7,000	27,000	26,950	18.9	235,076	117
June 24. 1925.	292,278	12,265	7,000	...	53,950	18.5	243,474	119
Sept. 24. 1925.	293,004	12,555	7,000	...	56,250	19.1	242,188	121
Dec. 30. 1925.	296,777	12,661	7,000	...	56,250	18.9	245,896	192
Mar. 31. 1926.	295,337	12,226	6,550	...	56,250	19.0	244,585	178
June 30. 1926.	294,036	12,567	6,550	...	56,250	19.1	243,667	136
Sept. 29. 1926.	287,858	12,295	6,300	...	56,250	19.5	237,467	136
Dec. 29. 1926.	296,461	12,467	6,300	...	56,250	18.9	246,248	119
Mar. 30. 1927.	288,067	11,882	6,550	...	56,250	19.5	237,913	135
June 29. 1927.	298,260	12,812	6,550	...	56,250	18.8	249,067	105
Sept. 28. 1927.	294,798	12,752	6,550	...	56,250	19.0	245,424	226
Dec. 28. 1927.	299,791	12,904	6,550	...	56,250	18.8	250,662	133
Mar. 28. 1928.	289,508	12,415	5,500	...	56,250	19.4	240,241	132
June 27. 1928.	296,030	12,456	5,400	...	56,250	19.0	246,635	178
July 4. 1928.	300,157	12,461	5,400	...	56,250	18.7	250,791	176

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £30,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,145,400, for 1926 at £247,902,500, for 1927 at £246,011,000, and for 1928, £244,935,100.

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, July 4, 1928.

ISSUE DEPARTMENT.

Notes issued	£ 190,436,190	Government debt	£ 11,015,100
		Other securities	8,734,900
		Gold coin & bullion	170,686,190
	190,436,190		190,436,190

BANKING DEPARTMENT.

Proprietors' capital ..	£ 14,553,000	Government securities ..	£ 28,768,885
Reserve	3,449,645	Other securities	79,741,187
Public deposits	19,686,680	Notes	53,269,700
Other deposits	126,829,091	Gold and silver coin ..	2,742,044
Seven-day & other bills ..	3,400		
	164,521,816		164,521,816

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

	Amount, July 4, 1928.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest	£ 3,426,645	+ 48,342	- 14,246
Public deposits	19,686,680	+ 4,186,611	+ 481,233
Other deposits	126,829,091	+ 21,236,370	+ 22,453,410
Government securities ..	28,768,885	+ 2,010,000	- 18,778,097
Other securities	79,741,187	+ 18,872,769	+ 18,253,116
Reserve	56,011,744	+ 230,744	+ 23,445,228
Note circulation	137,156,490	+ 910,370	- 1,091,440
Coin and bullion	173,428,244	+ 1,241,214	+ 22,353,768
% of reserve to liabilities ..	38.1%	- 4.3%	+ 11.8%

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.
1928.						
May 9	161,905,405	135,218,306	113,856,940	85,152,681	1,000,000 in	46,437,100 40.3%
16	161,946,830	134,834,125	114,541,656	85,423,150	73,000 out	46,862,705 40.4%
23	162,187,482	135,064,485	115,613,315	84,506,920	9,000 out	46,872,997 41.1%
30	162,902,473	135,884,760	111,852,107	82,951,970	572,000 in	46,667,713 41.3%
June 6	164,073,965	136,661,835	119,125,592	88,765,975	1,014,000 in	48,168,130 40.8%
13	168,099,528	135,073,700	121,043,201	86,107,790	3,828,000 in	52,775,828 43.4%
20	171,691,046	135,026,500	122,555,474	84,040,519	3,429,000 in	56,414,503 46.1%
27	172,287,120	135,256,120	123,466,308	81,647,283	405,000 in	55,781,003 45.1%
July 4	173,428,244	137,166,490	146,515,771	108,516,072	942,000 in	56,011,744 38.1%

BANKERS' CLEARING RETURNS (000's omitted).

	Town.	Metropolitan.	Country.	Total.
1928.				
January 1 to June 20.	£ 18,748,216	£ 872,501	£ 1,448,860	£ 21,069,577
Week ended June 27.	686,330	33,693	57,239	777,262
Week ended July 4.	989,102	44,361	59,766	1,093,229
Total to date 1928.	20,403,648	950,555	1,560,865	22,915,068
Do 1927.	19,255,020	917,148	1,547,688	21,719,856
Increase or decrease in 1928.	+ 1,148,628	+ 33,407	+ 13,177	+ 1,195,232
	= 5.9%	= 3.6%	= 0.8%	= 5.5%
Total for year 1927.	36,819,682	1,758,034	2,972,827	41,550,541
Total for year 1928.	35,346,429	1,660,757	2,817,868	39,825,054
Increase or decrease in 1927.	+ 1,473,253	+ 97,275	+ 154,959	+ 1,725,487
	= 4.1%	= 5.8%	= 5.4%	= 4.3%

The OCEAN ACCIDENT and GUARANTEE CORPORATION, Limited.

ASSETS £9,101,717
CLAIMS PAID £41,161,592

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

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

PROVINCIAL CLEARING RETURNS.

	Month of June.			Aggregate Weekly Totals to June 30.	
	1927.	1928.	%	1927.	1928.
Number of Working Days	25	26			
BIRMINGHAM	10,652,000	11,601,000	+ 8.9	67,861,600	71,089,100
BRADFORD	5,422,000	5,540,000	+ 2.1	30,107,000	31,281,000
BRISTOL	4,792,000	5,117,000	+ 6.7	23,387,400	25,181,500
DUBLIN	3,502,000	3,572,000	+ 1.9	23,387,400	25,181,500
HULL	4,013,000	3,890,000	- 3.0	21,351,300	21,708,800
LEEDS	3,333,000	3,567,000	+ 7.0	21,351,300	21,708,800
LIVERPOOL	32,527,000	33,839,000	+ 4.0	210,955,000	218,941,500
MANCHESTER	54,969,000	52,381,000	- 4.7	355,603,500	349,749,400
NEWCASTLE-ON-TYNE	5,976,000	5,920,000	- 0.9	40,377,500	38,018,000
NOTTINGHAM	2,480,000	2,568,000	+ 3.5	16,463,700	16,558,300
SHEFFIELD	4,070,000	3,812,000	- 6.3	28,618,600	25,745,800
Total	131,636,000	131,897,000	+ 0.2		

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Denmark appeared in the Economist of June 9; Chile in June 23; Canada, Java, Sweden, Czechoslovakia, Roumania, Lithuania and Egypt in June 30.

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

	July 5, 1928.	June 28, 1928.	June 21, 1928.	June 14, 1928.	July 8, 1927.
Resources.					
Total gold reserves	2,546,490	2,583,310	2,580,920	2,580,410	2,988,110
Total bills discounted	1,191,010	1,031,870	990,880	1,042,860	506,770
Bills bought in open mkt.	209,660	223,430	223,880	200,420	199,040
Total U.S. Govt. securities	219,570	211,940	222,870	223,300	374,470
Total bills and securities	1,620,730	1,467,730	1,438,170	1,507,660	1,081,580
Total resources	5,195,120	4,963,460	5,037,690	5,125,570	5,093,860
LIABILITIES.					
Federal Reserve notes in actual circulation	1,660,130	1,604,640	1,599,370	1,605,430	1,751,050
Deposits—Member bank— reserve account.....	2,402,890	2,344,710	2,332,160	2,392,430	2,297,400
Total deposits	2,459,320	2,381,800	2,305,160	2,436,140	2,340,900
Capital paid in and surplus	374,530	373,640	373,620	373,030	558,200
Total liabilities	5,195,120	4,963,460	5,037,690	5,125,570	5,093,860
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	65.4%	68.7%	69%	67.6%	76.8%

AUSTRIAN NATIONAL BANK.—In schillings (000's omitted).

Assets.	June 22, 1927.	June 15, 1928.	June 7, 1928.	May 31, 1928.	June 23, 1927.
Metal reserve—					
Gold in coin, etc.	117,199	117,199	117,199	117,199	58,748
Foreign bills	283,902	283,902	283,902	283,902	406,116
Other foreign bills	294,484	276,207	277,886	279,133	177,625
Bills discounted	91,028	105,634	126,513	126,471	73,991
Advances to Treasury	167,701	167,701	167,701	167,771	173,667
LIABILITIES.					
Share capital	43,200	43,200	43,200	43,200	43,200
Reserve fund	8,167	8,167	8,167	8,167	6,367
Notes in circulation	857,632	881,395	913,082	946,255	799,949
Deposits	90,100	71,481	64,710	33,595	94,364

† In dollar and sterling only.

NATIONAL BANK OF THE SERBS, &c.—In dinar (000's omitted).

Assets.	June 22, 1927.	June 15, 1928.	June 7, 1928.	May 31, 1928.	June 23, 1927.
Gold	90,227	90,130	90,003	89,509	87,798
Other coin and notes	18,501	18,241	17,877	17,508	18,066
Foreign credits	852,175	850,356	850,356	850,356	850,356
Bills	1,238,177	1,235,077	1,240,366	1,236,326	996,854
Govt. advances	4,323,061	4,323,061	4,323,061	4,323,061	4,323,061
LIABILITIES.					
Notes in circulation	5,122,797	5,213,631	5,279,766	5,218,868	5,256,856
State credits	294,041	294,032	293,966	294,010	319,720
Deposits	1,090,519	931,895	996,004	1,116,037	1,897,860

NATIONAL BANK OF HUNGARY.—In Hungarian Pengő (000's omitted).

Assets.	June 23, 1927.	June 15, 1928.	June 7, 1928.	May 31, 1928.	June 23, 1927.
Metal reserve—					
Gold coin and bullion	196,540	196,539	196,539	196,539	187,467
Drafts and notes	70,440	70,440	70,440	70,440	68,673
Silver coin and bullion	292,287	287,100	297,509	306,762	243,784
Inland bills, warrants and securities	105,832	105,832	105,832	105,832	116,263
Advances to Treasury					
LIABILITIES.					
Share capital gold crowns 30,000,000	34,756	34,756	34,756	34,756	34,756
Notes in circulation	399,386	405,039	426,846	450,884	376,682
Current accounts, deposits, &c.	287,543	292,564	290,486	282,668	280,291

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF BULGARIA.—In leva (000's omitted).

Assets.	June 23, 1927.	June 15, 1928.	June 7, 1928.	May 31, 1928.	June 23, 1927.
Gold and silver holdings	1,463,279	1,466,811	1,466,016	1,464,495	1,400,120
Balances abroad and foreign currencies	1,807,664	318,208	312,493	339,316	243,332
Discounts and advances	1,425,354	1,396,414	1,386,890	1,371,210	1,309,724
Advances to Treasury	4,470,613	4,470,613	4,470,613	4,470,613	4,562,064
LIABILITIES.					
Capital paid in	516,422	516,422	516,422	516,422	473,896
Reserves	1,128,264	1,128,451	1,128,451	1,128,451	1,075,179
Bank notes in circulation	3,876,393	3,866,123	3,841,028	3,784,418	3,703,338
Sight liabilities	1,118,516	1,043,890	1,042,160	1,126,466	1,078,544
Deposits	1,253,765	1,266,594	1,261,418	1,266,538	1,676,045

NATIONAL BANK OF GREECE.—In drachmas (000's omitted).

Assets.	Apr. 30, 1927.	Apr. 14, 1928.	Mar. 31, 1928.	Mar. 15, 1928.	Apr. 30, 1927.
Gold and balances abroad	2,968,219	2,841,041	2,790,521	2,713,036	2,721,189
Government loans and securities	3,691,465	3,692,523	3,692,753	3,701,300	3,951,852
Discounts and loans	3,691,465	3,692,523	3,692,753	3,701,300	3,951,852
LIABILITIES.					
Notes in circulation	4,893,935	5,004,187	4,895,488	4,834,248	5,042,130
Government deposits	1,602,796	1,525,822	1,503,103	1,299,717	792,240
Private sight deposits	3,139,725	3,646,252	3,646,252	3,300,249	2,934,994
Private deposits at fixed dates	569,674	367,430	364,976	358,328	1,191,798

RUSSIAN STATE BANK.—Note-Issuing Department.

(In Tchernovets—000's omitted.) (Note: 1 Tchernovets = 10 gold roubles)

Assets.	June 30, 1927.	June 15, 1928.	June 7, 1928.	May 31, 1928.	June 30, 1927.
Gold in coin and bullion	15,545	16,502	15,513	15,015	17,705
Platinum	3,969	3,477	2,811	2,811	1,705
Foreign bank notes	7,010	6,524	6,747	7,318	7,946
Drafts in sterling (less 10%)	267	267	267	267	267
Bills (less 10% discount)	77,931	76,956	72,328	71,255	65,291
Securities covering advances on goods (less 10%)	274	274	274	274	88
LIABILITIES.					
Bank notes	104,606	103,279	97,373	96,133	92,029
Balances to which notes may still be issued	394	721	627	867	971

BANK OF POLAND.—In zloty* (000's omitted).

Assets.	June 20, 1927.	June 10, 1928.	May 31, 1928.	May 21, 1928.	June 20, 1927.
Gold	570,252	566,920	566,876	565,317	161,356
Of which held abroad	189,778	18,499	18,499	18,010	
Foreign currencies	725,782	1,642,860	1,098,243	761,977	231,858
Bills discounted	564,775	567,804	558,283	545,448	383,994
Loans against securities	63,749	63,650	65,695	61,478	37,413
Reserve fund securities	55,946	55,946	55,946	55,950	
LIABILITIES.					
Share capital	150,000	150,000	150,000	150,000	100,000
Reserve fund	94,435	94,435	94,435	94,435	4,653
Notes in circulation	1,070,822	1,116,449	1,132,964	1,086,944	681,675
Current accounts	613,647	593,333	592,415	610,496	267,139
Government Accounts	1,684,469	1,709,682	1,715,380	76,000	

* As from October 13, 1927, 891 zlotys equal one U.S. dollar

BANK OF LATVIA.—In lats (gold francs) (000's omitted).

Assets.	June 27, 1927.	June 20, 1928.	June 13, 1928.	June 6, 1928.	May 30, 1927.
Gold bullion and coins	23,723	23,722	23,719	23,717	23,432
Silver coin	4,905	4,936	4,956	4,972	5,694
Balances abroad	78,536	78,933	78,319	78,203	30,410
Treasury notes & ex. change	11,170	12,218	12,829	11,991	9,757
Short term bills	82,355	81,831	81,545	82,241	69,459
Loans against securities	42,125	42,405	42,086	42,536	52,983
Other assets	9,433	10,867	10,878	11,149	9,583
LIABILITIES.					
Notes in circulation	41,500	40,321	39,273	40,487	28,652
Capital paid up	15,541	15,581	15,581	15,581	14,385
Reserve	3,991	3,091	3,091	3,091	2,612
Special reserve	2,500	2,500	2,500	2,500	2,500
Deposits	11,859	11,444	11,802	11,648	12,968
Current accounts	53,863	54,114	52,911	54,135	33,884
Government accounts	116,823	118,999	121,083	120,838	119,509
Other liabilities	5,627	8,034	7,355	5,385	13,282

BANK OF FINLAND.—In F. marks (000's omitted).

Assets.	June 22, 1927.	June 15, 1928.	June 7, 1928.	June 23, 1927.	Position, May 30, 1914.
Gold	310,889	311,277	311,713	323,548	35,091
Balance abroad and foreign bills	784,730	797,858	840,654	912,291	90,379
Finnish and Foreign Government securities	337,806	337,806	338,443	365,860	21,826
Discounts and loans	1,182,109	1,176,403	1,158,747	782,187	105,151
LIABILITIES.					
Notes in circulation	1,554,133	1,555,847	1,566,696	1,382,755	123,941
Deposits at notice	155,073	176,697	209,538	236,752	21,225

BANK OF ESTONIA.—In Est. kroon (000's omitted).

Assets.	June 22, 1927.	June 15, 1928.	June 7, 1928.	June 23, 1927.	May 23, 1928.
Gold coin and bullion	10,367	10,367	10,291	10,291	10,281
Net foreign exchange	87,480	27,498	27,251	27,404	27,814
Subsidiary Estonian coin	655	787	723	722	677
Home bills discounted	9,281	9,015	9,010	9,184	8,960
Loans and advances	16,952	16,573	16,748	18,669	18,564
LIABILITIES.					
Notes in circulation	37,696	35,148	35,551	37,133	38,514
Sight deposits and current accounts	20,689	22,583	22,359	22,518	21,595
Ratio of reserve to current liabilities	64.60%	65.58%	64.82%	63.19%	63.37%

* Includes a sum not exceeding Ekr. 15,000,000, guaranteed by the Government.

BANK OF DANTZIG.—In Danzig gulden (000's omitted).

Assets.	June 30, 1927.	June 15, 1928.	May 15, 1928.	May 15, 1928.	Apr. 14, 1928.	June 30, 1927.
Coin and bullion	2,510	3,004	2,707	2,895	2,478	2,687
Of which gold coin	5	5	5	5	5	8
Danzig subsidiary coin	2,505	2,999	2,702	2,890	2,473	2,659
Bal. Bk. of Eng. inc. notes	15,668	11,831	15,118	11,770	14,078	13,523
Bills of exchange	20,870	20,891	21,699	21,979	20,019	21,204
Loans	675	57	508	49	49	665
Foreign exchange	26,866	25,768	25,794	25,951	28,341	12,131
Other bills on demand	3,448	3,448	3,448	3,448	3,448	3,448
LIABILITIES.						
Capital paid up	7,500	7,500	7,500	7,500	7,500	7,500
Notes in circulation	37,352	32,219	35,709	31,737	35,404	35,482
Deposits on demand	3,459	3,185	3,787	4,061	3,275	4,221

BANK OF JAPAN.—In yen (000's omitted).

Assets.	June 2, 1928.	May 26, 1928.	May 19, 1928.	May 12, 1928.	June 2, 1927.	Position, June 30, 1914.
Cash and bullion	1,136,691	1,134,802	1,133,654	1,132,112	1,128,816	221,320
Discounts	1,000,837	1,002,750	1,001,719	1,025,210	909,727	41,748
Advances	78,463	71,935	72,111	81,320	94,518	70,548
LIABILITIES.						
Notes	1,263,077	1,206,807	1,144,435	1,166,826	1,332,897	363,370
Govt. deposits	643,369	660,063	704,244	6,2814	829,360	87,340
Other deposits	443,675	456,449	478,524	538,255	333,182	11,440

LONDON RATES.

	June 26, 1928.	June 29, 1928.	June 30, 1928.	July 2, 1928.	July 3, 1928.	July 4, 1928.	July 5, 1928.
Bank rate (changed from 5% April 21, 1927)	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Market rates of discount—							
60 days' bankers' drafts	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
3 months' do	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
4 months' do	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
6 months' do	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Discount (Treasury Bills)—							
2 months	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
3 months	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Loans—Day to day	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Short	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Deposit allowances: Banks	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Discount houses at call	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
At notice	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2

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

Comparison with previous weeks:—

	Short Loans.	Bank Bills.			Trade Bills.		
		3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
1928.	%	%	%	%	%	%	%
June 14.....	3 1/2	3 1/2	3 1/2	3 1/2	4 1/2	4 1/2	4 1/2
21.....	3 1/2	3 1/2	3 1/2	3 1/2	4 1/2	4 1/2	4 1/2
28.....	3 1/2	3 1/2	3 1/2	3 1/2	4 1/2	4 1/2	4 1/2
July 4.....	3 1/2	3 1/2	3 1/2	3 1/2	4 1/2	4 1/2	4 1/2

GOLD AND SILVER PRICES.

		Gold Per Ounce.	Silver—Per Ounce. Cash. Forward.	Date.	Silver. Cash.
1928.	s d	d	d		d
June 29....	84 10½	27½	27½	July 14, 1922..	35½
30....	84 10½	27½	27½	15, 1923..	30½
July 2....	84 10½	27½	27½	11, 1924..	34½
3....	84 10	27½	27½	18, 1925..	32
4....	84 10½	27½	27½	9, 1926..	30½
5....	84 10½	27½	27½	8, 1927..	25½

NOTICES.

It is officially announced that Sir Harcourt Butler, G.C.S.I., G.C.I.E., &c., has been appointed a director of the National Provincial Bank, Limited.

Mr Alfred Clermont has been appointed manager of Blair and Co. (London), Limited, with whom he had been associated for some years. This firm is affiliated with Blair and Co. Inc., New York.

The Union Bank of Australia, Limited, announce that Mr A. H. Chambers, their general manager in Australia and New Zealand, has retired after 52 years' service, and that Mr W. A. Leitch has been appointed his successor as and on July 1st.

Lloyds Bank, Limited, announce that a branch of the bank is now open at the corner of Bennett Park, Blackheath, S.E. 3, under the management of Mr C. H. Rollston.

Barclays Bank, Limited, announce that they have opened new branches at 309 Sydenham road, Lower Sydenham, S.E. 26, under the management of Mr E. M. Horlock, who is also manager of Sydenham branch; and at 246 Gipsy road, West Norwood, S.E. 27, under the management of Mr F. C. B. Lawrence, who is also manager of Upper Norwood branch; also a new sub-branch in Worcester road, Hagley, under the management of Mr A. H. Hingley, who is also manager of Stourbridge branch.

The Midland Bank announces the opening of a new branch at 66 Hamilton road, Felixstowe, under the management of Mr W. P. Curry.

THE STANDARD BANK OF SOUTH AFRICA, LIMITED

Bankers to the Imperial Government in South Africa; and to the Governments of Northern Rhodesia, Southern Rhodesia, Nyasaland and Tanganyika.

AUTHORISED CAPITAL	£10,000,000
SUBSCRIBED CAPITAL	£8,916,660
PAID-UP CAPITAL	£2,229,165
RESERVE FUND	£2,893,335
UNCALLED CAPITAL	£6,687,495
	£11,809,995

Board of Directors.

William Bejerson Arbuthnot, Esq.	Solomon B. Joel, Esq., J.P.
Stanley Christopherson, Esq.	Horace Peel, Esq.
Edward Clifton-Brown, Esq.	Rt. Hon. the Earl of Selborne, K.G.
Robert E. Dickinson, Esq.	William Smart, Esq.
James Fairbairn Finlay, Esq., C.S.I.	Rt. Hon. Lord Sydenham, G.C.S.I., F.R.S.
John Paul Gibson, Esq.	

Joint General Managers in South Africa—John Jeffrey, James S. Shiel.
Deputy General Managers in South Africa—G. F. Le Sueur, W. E. Robertson.
Assistant General Manager in South Africa—Francis E. King.
London Manager—Bertram Lowndes.
Secretary—Herbert G. Hoey.

Head Office: 10, CLEMENTS LANE, LOMBARD STREET, and 77, KING WILLIAM STREET, LONDON, E.C.4.
London Wall Branch: 63, LONDON WALL, E.C.2.
West End Branch: 9, NORTHUMBERLAND AVENUE, W.C.2.
New York Agency: 67, WALL STREET.

Bank of British West Africa, Ltd., 49-53, SCHAUENBURGER-STRASSE.
Over 350 Branches, Sub-Branches and Agencies in SOUTH AND EAST AFRICA.

EXECUTORSHIPS AND TRUSTEESHIPS UNDERTAKEN.

INCOME TAX.—Claims for recovery of Income Tax undertaken.

COMMERCIAL SERVICE

The Bank has over 350 Branches in Africa, and Agents and Correspondents throughout the World. The closest touch with Trade and Industrial conditions is maintained with special attention to Commercial and Credit Intelligence. This service is available to Exporters, Importers and others wishing to develop trade between South and East Africa, the United States of America and the Continent of Europe.

THE STANDARD BANK MONTHLY REVIEW is sent post free on application. It gives the latest information on all South and East African matters of Trade and Commercial Interest.

Westminster Bank, Limited, announce the opening of a new branch at 33 Rolle street, Exmouth (Devon), under the management of Mr L. Moule. The branch will be open daily during the usual business hours.

A branch of Bank of Australasia has been opened at Carnamah, Western Australia.

Branches of the Commercial Banking Company of Sydney, Limited, have been established at Bordertown, Mt. Gambier, Millicent, and Naracoorte, all in the State of South Australia.

The Union Bank of Australia, Limited, announces that a new branch of their bank has been opened at Russell street, Melbourne, Victoria.

National Provincial Bank, Limited, announce the opening of the following new offices:—Hendon Central (Vivian avenue, N.W. 4); Harehills, Leeds (213 Roundhay road); Warwick gardens, Kensington road, W. 14; Copnor road, Portsmouth.

The National Bank of New Zealand announce a new agency of the bank has been opened at Colombo street, Christchurch.

COMPANY NEWS.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash.	Interim div. or Final.	Method of Payment.	Dividend for Whole Years.	Lat'st Year.	Pro-vious Year.
Banks.						
Alexanders Discount	7½%	July 25	Less tax	..	..	..
National Provincial	18%	..	..	..	..	..
Bank of Roumania	3/ p.s.	..	Less tax	..	6/ p.s.	..
Barclays "A"	10%	..	..	..	..	..
Do "B" and "C"	14%	..	..	..	..	..
National Discount, "A" shares	2½%	July 18	Less tax at 4/	..	..	..
Do "B" shares	4½%	..	..	..	..	..
P. & O. Banking Corporation	..	..	Less tax at 3/6 9/1	5	5	..
Insurance.						
Bankers and Traders	..	..	..	7	7	..
Reinsurance Corporation	..	..	..	10	10	..
Mining.						
Ipoh	23½%	..	..	35½	32½	..
Messina (Transvaal)	15%	July 9	..	..	..	..
Mount Morgan	15/ p.s.	Aug. 15	..	..	..	..
South Kalbarri Consolidated	15½%	July 31	..	25	25	..
Railways.						
Lima	..	..	Less tax	6/ p.s.	..	..
Underground Group—						
Metropolitan District	2½%	Aug. 3	..	..	..	..
London Electric	2½%	Aug. 3	..	..	..	..
City and South London	2½%	Aug. 3	..	..	..	..
Central London	2½%	Aug. 3	..	..	..	..
London General Omnibus	3½%	Aug. 3	Tax free	..	..	..
Associated Equipment	4½%	Aug. 3	Tax free	..	..	..
Underground Electric	3½%	Aug. 3	..	..	..	..
Tea and Rubber.						
Anglo-Dutch	7½%	..	Less tax	12½	..	..
Balmoral (Ceylon) Estates	6½%	..	Less tax	55	65	..
Brahmaputra Tea	40%	..	..	..	..	..
Ceylon and Indian Planters	10½%	July 21	..	12½	25	..
Scottish Tea and Rubber	7½%	..	..	..	..	..
Other Companies.						
Ailsa Investment Trust	2½%	p.s.	..	..	..	..
American Metal	7½%	Sept. 1	..	..	..	..
Anandale and Son	7½%	July 10	..	..	..	..
Assets Company	3½%	July 28	Less tax	..	..	..
Avon Electric Meter	5½%	..	..	4	6	..
Beeby's Brick	5½%	..	Less tax	..	..	..
British Oxygen	6½%	July 18	..	10	8	..
Brit. Steamship Inv. Trust, Def.	12½	Aug. 2	Less tax	11	11	..
Brooke, Bond	12½	..	..	12½	12½	..
Bullcroft Main Collieries	5½%	..	Tax free	21	24	..
Caldwell's Paper	5½%	July 10	Tax free	..	..	..
Canongrove Paper	5½%	July 10	..	..	..	..
Chalmers' Paper	20%	July 10	..	..	..	..
Clover Paint and Composition	..	..	Less tax	6	6	..
Coconut Plantations of Perak	..	..	..	17½	17½	..
Connaught Hotel	5½	..	..	..	..	..
Courtaulds	..	July 12	Tax free	28	26	..
Deft Tobacco	..	..	..	..	..	..
Eastern Extension Telegraph	2½%	July 14	..	3	3	..
Edward and John Burke	1½%	..	..	50	50	..
Francois Cementation	..	..	..	..	..	..
George Outram	7½%	July 26	Less tax	..	..	..
George Toulmin and Sons	40%	July 10	Tax free	..	..	..
Govt. Stocks & Other Securities	5½%	July 16	Less tax	..	..	..
Guardian Investment	5½%	..	..	..	..	..
Hoare & Co.	12½%	..	..	19	14	..
Hutchinson and Co.	5½%	June 30	..	..	..	..
Hutchinson Printing Trust	5½%	June 30	..	..	..	..
J. Compton, Sons, and Webb	..	..	..	25	..	..
John Crossley and Sons	2½%	Aug. 1	..	..	..	..
London Auction Mart	..	..	..	10	7	..
Lovell and Christmas	7½%	..	..	5½ p.s.	2½ p.s.	..
Mond Nickel	4½ p.s.	..	..	..	..	..
R. H. and S. Rogers	5½%	..	..	..	..	..
Reckitt and Sons	9 p.s.	July 2	Quarterly	..	..	..
Saxon Security Trust	1½%	..	Quarterly	9	8	..
Sheffield and District Cinema	10%	Aug. 13	Less tax	..	..	..
Sheffield Markets Electric	3½%	Aug. 13	..	..	..	..
Thompson and Sons Brewery	1 p.s. (& bonus of 1 p.s. Less tax)	..	..	..	..	..
Tea Corporation	5½%	..	..	10	15	..
Telegraph Construction	2½%	July 12	Tax free	..	..	..
Traction & Gen. Invest. Trust	6½%	July 31	..	..	..	..
Do New shares	11½ p.s.	July 31	..	..	..	..
Truswell's Brewery	4½%	..	..	..	..	..
Turner's Paper	5½%	July 10	..	7½	7½	..
United Brit. Oilfields of Trinidad	10½%	..	Less tax	15	15	..
W. and T. Avery	..	..	..	10	..	..
Do New capital	..	..	..	25	25	..
W. T. Henley's Telegraph	12½%	..	(& bonus of 5%)	12	12	..
Wells and Winch	..	..	..	..	..	..
Westfield Paper	5½%	July 10	..	11½	12½	..
Wm. Mowat and Sons	..	..	Less tax	..	..	..

WEEKLY TRAFFIC RETURNS. RAILWAYS OF GREAT BRITAIN AND IRELAND.

		Week ended July 1, 1928. (000's omitted.)						Aggregate 26 Weeks, 1928. (000's omitted.)					
(b) Week ended June 29, 1928.	(c) Week ended June 30, 1928.	Miles Open.	Passen- gers, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods.	Total for Week.	Passen- gers, &c.	Merchan- dise, &c.	Coal and Coke	Total Goods.	Total Receipts.	
			£	£	£	£	£	£	£	£	£	£	
Great Western	5,773	275	217	107	324	599	5,884	5,690	2,987	8,667	14,551		
Do for 1927	5,779	284	229	123	352	636	5,938	6,015	3,380	9,395	15,383		
Lon.&N. Eastn.(a)	6,406	452	417	235	652	1,204	8,941	10,973	6,174	17,347	26,281		
Do for 1927	6,406	461	441	255	696	1,257	9,235	11,789	6,732	18,460	27,741		
Lon.,Mid.&Scot.(a)	6,903	694	561	228	789	1,483	13,632	15,789	7,561	23,717	35,413		
Do for 1927	6,953	720	620	285	906	1,532	13,825	15,615	7,623	23,803	36,544		
Southern	2,177	389	89	28	117	499	7,858	2,080	725	2,803	10,661		
Do for 1927	2,177	382	93	40	133	513	7,896	2,261	862	3,124	11,020		
Metropolitan (a)	59	33.2	..	..	3.9	37.0	850.3	..	..	97.4	922.7		
Do for 1927	58	31.3	..	..	3.9	35.2	787.7	..	..	94.6	887.2		
Und'gr'd E. R. Co.	..	..	..	..	..	307.4	..	..	..	..	7,406.2		
Do for 1927	..	..	..	..	..	269.3	..	..	..	..	6,798.2		
Lon.&Sub.Gr'up Co.	..	..	..	..	..	49.8	..	..	..	..	1,077.4		
Do for 1927	..	..	..	..	..	39.5	..	..	..	..	9.37		
B'ham & Co. D'wn b	80	3.1	..	..	0.8	5.9	59.7	..	..	..	22.9	82	
Great Northern b	562	16.5	..	..	17.0	33.5	310.5	..	..	429.3	739.8		
Great Southern b	2,187	35.2	..	..	44.7	80.9	738.7	..	..	1,216.1	1,954.4		

† Includes receipts from independent omnibuses acquired during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1928.	+ or -	1928.	+ or -
INDIAN.							
				Rs.	Rs.	Rs.	Rs.
Assam Bengal	9 weeks	June 2	1,111	3,92,000	+ 1,743	37,84,000	+ 1,71,600
Barsi Lt. Ry.	10 weeks	June 9	118	36,200	+ 8,500	4,71,600	+ 1,40,700
Bengal & N. Western ..	10 weeks	June 9	2,082	7,30,731	+ 74,093	78,83,530	+ 5,03,000
Bengal-Nagpur	8 weeks	June 2	26,300	17,20,000	+ 1,92,831	1,45,93,000	+ 1,37,000
Bombay, Bar., & C.I.	12 weeks	June 2	23,302	22,29,000	+ 51,000	3,16,25,000	+ 23,25,000
Burma	9 weeks	June 2	1,343	8,08,034	+ 82,878	82,68,610	+ 1,27,700
Madras & S. Mahr.	10 weeks	June 2	9,307	19,15,000	+ 1,71,238	2,05,00,000	+ 26,321
Nizam's Guarantd.(a) ..	10 weeks	June 2	9,108	4,12,739	+ 63,496	44,08,131	+ 5,97,000
Rohtik'd & Kumaon ..	10 weeks	June 2	569	1,29,459	+ 28,034	24,83,356	+ 57,976
South Indian	9 weeks	June 2	2,065	13,09,447	+ 1,16,502	1,13,75,309	+ 4,63,050

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Dividend Interest.	Amount Available for Distribution.	Appropriation.				Corresponding Period Last Year.		
					Dividend.		Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.	Dividend.	
					Prefere.	Ordinary.					
					Amount.	Amount.	Rate.		£	%	
Banks.											
P. and O. Banking Corporation ..	Mar. 31	19,380	107,632	127,012	..	106,517	5	20,495	125,947	5	
Bank of Roumania	Dec. 31	..	6,223	6,223	..	6,000	6/ p.a.	223	12,622	6/ p.a.	
Breweries.											
Distillers' Company	May 15	132,303	2,269,655	2,401,958	105,600	1,678,825	20	405,000	2,104,293	20	
Hoare and Co.	April 18	4,581	544,015	548,596	..	364,621	19	130,907	406,997	14	
Tampin and Son's, Brighton....	April 30	29,372	50,161	79,533	30,720	18,600	15	5,000	25,213	15	
Financial, Land, &c.											
Australian Agricultural	Dec. 31	9,691	56,154	65,845	..	52,000	6½	13,845	61,208	6½	
British North Borneo Company..	Dec. 31	49,405	56,836	106,241	..	..	..	60,000	46,241	..	
Trustees' Corporation	May 31	57,170	144,340	201,510	27,000	66,000	11	46,657	61,853	10	
Iron, Coal, and Steel.											
Whitehead Iron and Steel	Mar. 31	14,401	20,679	35,080	..	20,421	8	10,000	4,659	15	
Oil.											
Tankers	Mar. 31	..	107,876	107,876	41,447	..	..	56,362	10,067	53,538	..
Rubber, &c.											
Anglo-Ceylon and General Estates	Mar. 31	44,705	113,241	157,946	..	110,000	20	10,000	37,946	120,871	20
Baru (Java)	Dec. 31	4,419	41,843	46,262	..	15,000	15	20,500	10,762	45,761	35
Bidor	Mar. 31	3,332	7,796	11,128	..	6,250	12½	..	4,878	21,062	40
Kuala Perlak	Dec. 31	9,339	9,396	18,735	..	4,800	10	..	13,935	20,178	27½
Manchester North Borneo	Mar. 31	4,103	36,691	40,794	1,127	20,625	12½	..	19,042	44,343	25
Selangor (Malaya)	Mar. 31	2,214	3,358	5,572	..	2,500	5	..	3,072	13,085	25
St. Ives Rubber Estates	Mar. 31	1,700	1,925	3,625	..	1,000	2	..	2,625	..	..
Timbang-Deli (Sumatra)	Mar. 31	9,948	18,869	28,817	..	..	..	..	28,817	19,853	5
Tremelby (Selangor)	Mar. 31	5,049	15,932	20,981	..	13,800	5	..	7,181	53,130	15
Shipping.											
Argentine Navigation	Dec. 31	6,542	274,041	280,583	180,000	..	..	100,000	583	328,624	..
Shops and Stores.											
International Tea Co.'s Stores ..	April 28	130,619	480,001	610,620	71,000	233,500	25	175,000	131,120	410,895	22
Lipton, Limited	Mar. 31	17,340	88,538	105,878	..	..	..	Dr 71,198	..	Dr 41,601	..
Trusts.											
O-Cedar Consolidated Trust	June 30	..	57,753	57,753	23,377	..	..	17,704	16,672	..	..
Second Consolidated Trust	June 15	5,253	32,638	37,891	12,000	14,400	9	..	11,491	24,053	8
Third Co-operative Investment ..	April 30	91	1,594	1,685	..	1,525	7	..	160	..	..
Tyre Investment Trust	Feb. 29	66,727	49,129	115,856	70,000	..	..	..	45,856	61,066	..
Other Companies.											
Asprey and Co.	Mar. 31	10,979	46,373	57,352	23,000	14,000	14½	10,000	10,352	26,737	12
Avon Electricity Meter	Mar. 31	2,377	5,175	7,552	4,960	2,431	4	..	161	9,041	6
British Oxygen	Mar. 31	102,647	125,488	228,135	..	75,000	10	..	153,135	67,773	8
Burgin and Colborne	May 2	5,852	12,606	18,458	3,600	6,000	20	2,000	6,858	12,172	20
Chlor Paint and Compositions ..	Apr 130	2,431	20,609	23,040	7,500	6,000	6	6,000	3,540	..	..
Edward and John Burke	April 30	13,006	46,835	59,841	15,300	7,650	3	20,000	16,891	39,720	6
J. Comptons, Sons, and Webb	Dec. 31	5,115	54,017	59,132	7,245	35,000	25	14,000	2,887	..	..
Lovell and Christmas	June 16	95,210	123,841	219,051	36,000	71,250	10	7,000	104,801	92,941	7
Molassine Co.	Mar. 31	2,734	17,450	20,184	7,815	2,193	..	9,586	790	2,159	..
Tati Company	Feb. 29	8,712	1,250	9,962	..	..	..	..	9,962	..	..
William Asquith (1920)	Mar. 31	8,686	13,952	22,638	17,125	..	..	..	5,513	5,942	8
Wm. Mowat and Sons	May 31	2,334	2,988	5,322	1,200	1,800	11½	..	2,322	3,151	12½
W. T. Henley's Telegraph Works	Mar. 31	503,203	251,228	754,431	9,000	162,500	25	50,000	532,931	226,424	25

* For half-year.

a Including arrears.

Reports and Notices.

The London head office of the Friends' Provident and Century Life Office is being transferred to new premises on July 9, 1928, at 7 Leadenhall street, London, E.C.3. Telephone, Avenue 8924. Telegraphic address, Frenprovin, Stock, London.

Sir Walter Lawrence, Messrs Sidney Michael Young, Harry Godwin and Charles Brannan have resigned from the board of Reebys Brick Company, Limited, and Messrs Thomas Harry Kenyon and Arthur Francis Hambley, representing Wiggins and Co. (Hammersmith), Limited have been elected directors of the company. Mr. O. J. S. Piper has been elected chairman of the board.

Sir David Brooks, G.B.E., Birmingham (solicitor), Mr. C. Herbert Smith, Birmingham (late president of the Birmingham and District Society of Chartered Accountants) and Sir Gilbert Vyle, Birmingham (late president of the Association of British Chambers of Commerce), have been elected directors of Radiation.

Mr. W. S. Stout has been appointed chairman of the board and Mr. T. E. McDonnell, president of the Canadian Pacific Express Company. The latter gentleman will continue to hold the office of general manager.

The Right Hon. Lord Stanmore, C.V.O. and Mr. James T. Phelan, directors of the Ship Canal Portland Cement Manufacturers, Limited, have been appointed to the board of the Dunstable Portland Cement Company, Limited.

We are officially informed that H. E. Ahmed Ziwer Pacha, Mr. Nicholas G. Cambras and Mr. Robert Rolo have been appointed directors of New Egyptian Company, Limited.

Mr. G. G. Sim, C.S.I., C.I.E., has been appointed a director of Vickers-Armstrongs, Limited.

Messrs Buckmaster and Moore have removed to 12 Bishopsgate, E.C.2. Their telephone numbers will remain unchanged.

GOVERNMENT STOCKS, &c.

HONDURAS EXTERNAL DEBT.—The Council of Foreign Bondholders remind holders of the bonds of the above debt who have not already deposited their bonds and received in exchange the Council's certificates that they must do so before August 1st next in order to participate in the arrangement of October 29, 1925. In terms of article 6 of the arrangement the lists of deposits will be closed after that date.

RAILWAYS.

HOME RAILWAY DIVIDEND DATES.—The dates on which dividends are likely to be declared are announced as follows:—July 26th, Metropolitan, London Midland and Scottish, Southern; July 27th, Great Western, North-Eastern.

An educated palate deserves

DE RESZKE

The Aristocrat of Cigarettes

American - 25 for 1/10
American De Luxe - 25 for 2/-
De Reszke Virginia - 20 for 1/-

Tenor (Turkish) - 25 for 3/4
Egyptian Blend - 20 for 2/-
De Reszke Turkis - 20 for 1/-

J. MILLHOFF & CO. LTD., 86, PICCADILLY, W.1

BANKS.

CENTRAL UNION TRUST COMPANY OF NEW YORK.—The condensed statement of condition of the Central Union Trust Company of New York as at June 30, 1928:—Capital and surplus and undivided profits, \$50,104,841; deposits, \$307,054,536; acceptances, \$32,145,864; total assets, \$392,247,561.

GUARANTY TRUST COMPANY OF NEW YORK.—Position at June 30, 1928, shows:—Capital, \$40,000,000. Surplus, \$50,000,000. At a special meeting of the stockholders of the company held on May 18, 1928, it was voted to increase the combined capital and surplus from \$60,000,000 to \$90,000,000 effective June 18, 1928. Undivided profits, \$9,231,743, being an increase of \$1,763,469 over the statement of March and last and an increase of \$6,392,514 over that of June 30, 1927. Deposits, including outstanding cheques, \$736,046,732, being an increase of \$79,000,323 over the statement of March 2nd, and an increase of \$99,992,416 over that of June 30, 1927. Total resources, \$912,270,694, being an increase of \$118,279,671 over those of March 2, 1928, and an increase of \$157,557,339 over the total resources on June 30, 1927.

P. AND O. BANKING CORPORATION.—Profit for year ended March 31st, after providing for taxation, bad and doubtful debts and valuing investments at or below market rates, amounts to £107,632, plus £19,380 brought forward. Directors propose dividend of 5 per cent., less tax, at 3s 6d, carrying £20,494 to next account. Comparative table follows:—

	Year Ended March 31st.	1926.	1927.	1928.
Net profit	135,780	125,947	107,632	
To reserve	20,000	20,000	..	
Dividend	5%	5%	5%	
Carry forward	19,042	19,380	20,494	

* To contingency reserve.

MISCELLANEOUS.

ARGENTINE NAVIGATION COMPANY (NICOLAS MIHANOVICH).—The following table shows the progress made by this undertaking during the past five years:—

Description.	Year 1923.	Year 1924.	Year 1925.	Year 1926.	Year 1927.
Ordinary capital	£1,600,000	£1,600,000	£1,600,000	£1,600,000	£1,600,000
Cumulative preference	400,000	400,000	400,000	400,000	400,000
Insurance account	265,610	266,380	266,561	274,130	283,309
Creditors	547,843	748,646	713,460	712,520	566,805
Fleet of steamers, &c.	1,352,961	1,285,529	1,191,394	1,358,929	1,667,922
Stocks	233,286	203,987	215,462	230,866	233,995
Debtors	165,487	522,853	812,333	969,681	739,275
Cash	144,375	94,488	47,515	53,449	56,949
Profit for year	163,785	34,305	213,690	328,624	274,040
Debit carried forward	501,467	535,772	322,082	16,543	5,583
Ordinary dividend	nil	nil	nil	nil	nil
Preference	nil	nil	nil	nil	180,000

* Loss for year. † Credit balance forward.

There are no debentures. The dividend on the cumulative preference shares has been paid to end of 1927. The debit balance carried forward at end of 1927 of £501,467 is turned to a credit balance of £583. The meeting will be held at Winchester House, Old Broad street, London, on July 17th, at noon.

BRITISH GLUES AND CHEMICALS, LIMITED.—The eighth annual report and accounts of British Glues and Chemicals, Limited, for the eleven months ended April 30, 1928, shows a net profit of £51,286 (as compared with a loss of £12,760 for preceding year). The directors propose paying a half-year's dividend on the 8 per cent. preference shares to April 30, 1928, to transfer £5,000 to reserve for taxation, and carry forward the balance of £29,486. The principal balance-sheet items are:—Freehold and leasehold land, plant, machinery, fittings, goodwill, &c., £1,086,002 (to be written down to £388,946) (against £1,325,085); investments and balances due from subsidiary companies, £91,745 (against £62,672); stock, £129,399 (against £170,031); debtors, £148,854 (against £144,384); Treasury bills and cash, £49,857 (against £1,372); creditors, £56,225 (against £57,295). There is no bank overdraft (against £30,026 for preceding year). The ordinary capital will be reduced from £875,000 to £175,000 under the scheme of capital reorganisation.

HOARE AND COMPANY, LIMITED.—The report for the year April 18, 1928, states that during the year the company purchased the public houses of the Commercial Brewery Company, and the accounts include the trade of these properties for about three months, as well as 12 months' trade of the City of London Brewery Company's properties (against 6½ months last year). A net profit of £544,015 is shown by the accounts (against £436,997 for 1926-27), excluding £4,582 brought forward. After providing for the interim dividend already paid, setting aside £30,000 (the same)

for income-tax, £3,855 for Commercial Brewery purchase expenses, and placing £147,052 (against £156,579) to the reserve fund, making it £1,030,000, there remains a balance of £233,355. It is proposed to pay a final dividend of 12 per cent., making 19 per cent. for the year (against 14 per cent. for preceding year), leaving £3,068 to be carried forward.

INTERNATIONAL TEA COMPANY'S STORES.—The report for year ended April 28, 1928, shows a trading profit of £579,553, against £496,090 in preceding year. The sum of £50,000 is charged for depreciation, &c., as before. Reserve is further strengthened by an allocation of £150,000, as against £125,000 put aside in preceding year. The sum of £25,000 is again placed to income-tax reserve. The ordinary shareholders receive 25 per cent., against 22 per cent. The carry forward is raised from £130,619 to £131,120. No dividends from Star Tea shares, in which the company own 95 per cent. of the deferred capital, have been included in the accounts for the year under review. The balance-sheet is fully summarised in another column. The meeting will be held at Winchester House, London, on July 10th, at noon.

LOVELL AND CHRISTMAS, LIMITED.—The profit on trading for year ended June 16, 1928, amounted to £164,295, against £116,804 in preceding year. The ordinary dividend is 10 per cent. for the year, against 7 per cent. for the preceding year. Income-tax absorbed £14,350, against £13,600. The carry forward is increased from £95,210 to £104,801. The balance-sheet shows that cash is at £69,625, against £91,280. Investments at cost or under stand at £947,911, against £1,032,617. Debtors are at £1,477,876, against £1,826,771. Stocks stand at £103,849, against £95,389. Reserves total £429,921, against £430,775. Creditors stand at £918,512, against £1,352,868. The meeting will be held at Hotel Cecil, Strand, London, on July 11th, at 3 p.m.

MEURISSE, LIMITED.—Having regard to the very satisfactory increase in turnover of the Antwerp factory, the directors have been endeavouring to secure upon advantageous terms an established business of a similar nature in this country that would be not only profitable upon its own trading, but would form the nucleus of a new organisation in this country for manufacturing and distributing Meurisse products. They have entered into a contract for the purchase of the business of Wm. Frank, Limited, of Cardiff. The directors are confident that, with the combination of the output of both factories and the sales organisation of chocolate and confectionery, the investment in this new acquisition will prove a profitable one to the company. There will be a considerable saving in freight by shipping direct from Antwerp to Cardiff.

MILLOM AND ASKAM HEMATITE IRON COMPANY, LIMITED.—The directors, after full consideration, have decided to withhold the payment of the half-yearly preference dividend due on July 1st. The directors regret this decision, but believe it prudent in view of the serious depression which still continues in the iron trade.

PARENT TRUST AND FINANCE.—The profits shown by the Parent Trust and Finance Company, Limited, for the year to April 30th last show that the net profits, after allowing for income-tax, amounted to £212,302, against £209,156 for 1926-27. After meeting the preference dividend, 8 per cent. is again paid on the ordinary shares, while the deferred rate of 20 per cent. is also maintained. The sum of £100,732 remains to be carried forward, compared with £83,534 brought in.

PHOTOMATON PARENT CORPORATION, LIMITED.—Owing to the great demand for bearer warrants and to avoid unnecessary

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delay and inconvenience to those presenting receipts for exchange, it has been arranged that receipts for allotment letters will be accepted at the registered office of the company, Pinners Hall, Austin Friars, London, E.C. 2, and a temporary acknowledgment issued, which will be exchangeable for the warrants on the following day between the hours of 11 a.m. to 2 p.m. (Saturdays excepted).

SANDERS BROS. (STORES), LIMITED.—The report for the year ended April 28, 1928, shows net profit of £109,315. This compares with net profit of £106,512 for 1926-27 and £92,166 for 1925-26. The ordinary dividend is increased from 10 per cent. to 12½ per cent. The sum of £40,000 is put to reserve, against an allocation of £15,000 in preceding year. The carry forward is £39,939, against £29,224 brought in. Preliminary expenses have been entirely written off. Goodwill remains at £120,563. Cash is at £72,777, against £98,707. The reserve fund is £65,000, which includes the £40,000 set aside out of the profits for the year.

SCRIBBANS AND COMPANY, LIMITED.—The first report of Scribbans and Co. The accounts cover a period of 13 months to April 30, 1928, and show a profit of £294,036. The directors recommend writing off one-fourth of the preliminary expenses (including underwriting commission) £46,325, carrying forward £24,989, and leaving available £125,033. A final dividend on the ordinary shares for the period at the rate of 7½ per cent. per annum, less tax, is proposed, making with the interim 7½ per cent. per annum, less tax, calculated from the due date of payment of instalments on the shares. A final dividend at the rate of 19½ per cent. per annum, less tax, is proposed on the deferred, making 20½ per cent. per annum for the period calculated from the date of allotment.

SHIP CANAL PORTLAND CEMENT MANUFACTURERS, LIMITED.—Gross profits for the year ended March 31, 1928, after paying all expenses, maintenance, and repairs, amounted to £227,333, as compared with £82,331 for preceding year. After charging £3,274 for directors' and auditors' fees, debenture and other interest £45,571, provision for taxation £40,000, the net profit is £138,768, against £60,398. Preference dividend absorbed £11,250. The sum of £50,000 is transferred to reserve for depreciation, against a transfer of £40,000 in preceding year. The ordinary dividend is 10 per cent., against 7½ per cent. The carry forward is increased from £11,204 to £38,662. Turning to the balance-sheet, we find that assets amount to £2,082,045. Investments at cost amount to £1,074,710. Cash stands at £104,131. Stocks are at

£75,090, and debtors at £97,396. Creditors are at £149,495. Reserve accounts amount to £231,213.

SPIERS AND POND, LIMITED.—The following table shows result for the past six years:—

	1922-23.	1923-24	1924-25.	1925-26.	1926-27.	1927-28.
Profit	£ 155,901	£ 148,614	£ 147,341	£ 130,828	£ 113,253	£ 136,237
Deb. int., &c.	36,126	35,022	38,391	38,604	41,706	33,667
Net profit	119,774	113,592	108,950	92,224	71,547	102,570
Brought forward	13,114	12,651	13,516	13,917	7,976	4,701
Reserve, &c. ...	132,888	126,243	122,466	106,141	79,523	107,271
Directors	22,000	17,000	17,000	7,000	2,000	5,000
Dividend	5,000	5,000	5,000	4,611	3,577	5,000
Carried forward	86,540	86,544	86,549	86,553	69,245	88,557
	(12½%)	(12½%)	(12½%)	(12½%)	(10%)	(12½%)
	19,548	17,699	13,917	7,976	4,701	8,714

TANKERS, LIMITED.—The profit for the year ended March 31, 1928, amounted to £143,856, against £101,703, which, after paying interest on the mortgages in favour of the builders, amounting to £35,980, against £48,164, was reduced to £107,876, against £53,538. This is utilised as follows:—Dividend on preference shares and interest on funding certificates for half-year to March 31, 1928 (since paid), £41,447; transfer to survey and repairs reserve (bringing this account up to £40,000), £6,361; transfer to depreciation account (depreciation was written off under the reconstruction scheme to September 30, 1927), £50,000; carry forward, £10,068. The company owed on mortgage to the builders on March 31, 1927, £719,232. This figure has been reduced, as shown in the accompanying accounts, to £596,719. Since the last annual meeting the scheme for the reduction of the capital of the company and the funding of the arrears of dividends on the preference shares has been adopted by the shareholders and sanctioned by the court. The scheme has been incorporated in the accounts, which are fully summarised in another column. It is proposed that in future the financial year of the company should end on December 31st, instead of March 31st, as at present. The next accounts, therefore, will cover a period of nine months only. The meeting will be held at Winchester House, Old Broad Street, on July 12th, at 11.30 a.m.

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OIL OUTPUTS.

ANGLO-EQUADORIAN OILFIELDS.—The production for June is cabled as 10,060 tons.

AMEX (TRINIDAD) OILFIELDS, LIMITED.—The results for the month of June are as follows:—Production of oil, 21,340 tons; deliveries, 22,050 tons.

BRITISH CONTROLLED OILFIELDS, LIMITED.—Output for week ending June 27, 1928:—Buchivacoa—Production, 33,604 barrels; shipments, 17,107 barrels. Trinidad—Production, 5,869 barrels.

HAMILTON'S OIL CONCESSIONS (ROUMANIA), LIMITED.—Production for month of June, 1928:—3,580 tons; 25,060 barrels (June, 1927, figures: 1,597 tons; 11,179 barrels).

LOBITOS OILFIELDS.—The production for June is cabled as 27,133 tons.

MEXICAN EAGLE OIL.—The production for the week ended June 23, 1928, was 124,000 barrels.

SERVICE PETROLEUM.—Production from the company's Gura Ocneii oil wells for the week ending July 1st was 2,636 tons (18,452 barrels).

STEUA ROMANA (BRITISH), LIMITED.—The production of the Steua Romana Company, Bucharest, for the month of June was 51,850 tons.

UNITED BRITISH OILFIELDS OF TRINIDAD, LIMITED.—Production for the week ending June 28, 1928, amounted to 1,517 tons.

VENEZUELAN OIL CONCESSIONS.—Production for the week ended June 30th was 102,379 metric tons (previous week ended June 23rd 96,676 metric tons).

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday Evening.

Favourable climatic conditions have continued over the United Kingdom with a higher temperature, and all cereal crops are making satisfactory progress, and indications point to a fair average yield of wheat. Native supplies at the principal Statute markets are adequate for requirements, and a fair business transpired at steady prices. Imported descriptions were also in better request, while the floating and forward cargo section proved firm under the influence of liberal Russian purchases, estimated at 150,000 tons of spot and near-at-hand supplies made on the chief European markets. Further quantities will apparently be needed before the next domestic harvest, as options are being secured on passage steamers from Canada and the River Plate, while covering tonnage is also required for spot loading from Canada, thus showing the urgent need of immediate relief. A good deal of the wheat sold on this side will need replacement, which foreshadows a good demand on Continental account for some while ahead. Fortunately, adequate supplies are available from Canada to meet the situation, and unless further developments occur prices should keep within reasonable limits. Wheat firm, but slightly irregular. No. 2 Northern Manitoba ex-ship 55s, No. 3 ditto 52s, No. 4 Vancouver 50s 9d, Atlantic 49s, No. 5 Vancouver 47s 6d, Atlantic 47s, No. 6 Vancouver 45s, Rosafe 63 lbs ex-ship to arrive 52s, Barusso 63 lbs 52s, Australian 55s ex-ship, per 496 lbs. English 10s to 10s 6d per 112 lbs. Flour steady. London standard grade 43s, town whites 44s, patents 43s to 46s per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 38s to 42s, Minneapolis 40s 6d to 42s, Australian 37s 6d ex-store, per 280 lbs. Maize steady for near, but distant positions rather easier. Plate landed 43s, ditto ex-ship 41s 6d, May-June 40s 3d, June-July 38s 3d, July-August 37s 3d ex-ship, per 480 lbs. Yellow maize meal £11 10s ex-wharf, yellow African ex-ship to arrive £9 12s 6d, white £9 10s per ton. Barley quietly steady. Californian ex-store 47s to 65s, Chilean Chevalier 60s to 65s, Australian 54s to 60s, Slovakian 63s to 72s, per 448 lbs. Algerian landed 38s, Egyptian 37s 9d, Persian 37s 6d, Marmora 37s to 38s, Hama 37s 6d ex-store, per 400 lbs. English malting 10s 6d to 12s, feed 10s 4d to 10s 10d per 112 lbs. Oats: Tone steadier. La Plata landed 30s, ditto ex-ship 28s 6d, black Plate ex-ship 27s 3d, ditto landed 28s 6d, No. 2 Canadian Western ex-ship 31s 6d, No. 3 ditto 30s 6d, No. 2 Canadian feed 29s 9d, Chilean Tawny landed 32s 9d, ditto white 35s 6d ex-ship, 36s 6d landed, German 35s 6d landed, per 320 lbs. English black and grey 11s 8d to 13s, white 12s 4d to 13s 4d, per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1927-28, 1926-27, 1925-26, 1924-25:—

	1927-1928.	1926-1927.	1925-1926.	1924-1925.
Estimated sales of home-grown wheat—				
2 week to June 30.....	Cwts. 103,875	Cwts. 80,022	Cwts. 31,558	Cwts. 85,060
44 weeks to June 30.....	10,564,193	11,437,559	12,787,619	10,688,842
Average price of English wheat per cwt.....	s d 10 9	s d 12 8	s d 13 9	s d 12 3

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1924 to 1927:—

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Weeks Ended	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1928.	Cwts.	Cwts.	Cwts.	s d	s d	s d
June 25	148,160	11,241	9,350	10 10	10 10	12 7
June 30	103,875	7,111	5,504	10 9	10 8	12 5
June 28, 1924..	44,675	1,252	7,587	11 5	10 8	10 0
June 27, 1925..	109,052	12,450	20,782	12 7	10 0	10 5
July 3, 1926..	31,558	5,596	13,646	13 9	8 8	9 10
July 2, 1927..	80,092	6,719	18,000	12 8	12 1	10 0

AMERICAN WHEAT MARKETS.

Wheat prices have improved as compared with a week ago. Weather conditions have been fairly favourable and have tended to restrict demand, but a steadier tone was noticeable at the end of the week as a result of numerous export inquiries. In particular, Russia has been in the market this week. Quotations:—

NEAREST FUTURE.	Jan. 6, 1927.	July 7, 1927.	Jan. 4, 1928.	June 27, 1928.	July 4, 1928.
	133½	161½	137	135½	136½
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs.....	133½	161½	137	135½	136½
Chicago (No. 2 Winter)—Cents per 60 lbs.....	137½	145½	130½	136½	138½

* Previous day's quotation.

Visible supplies of wheat in Canada at 59,376,000 bushels show a decrease of 1,020,000 bushels as compared with the previous figures. Supplies a year ago stood at 27,276,000 bushels.

COAL.

Our Cardiff correspondent writes:—On the Cardiff coal market this week demand has been generally inactive, and collieries have had to depend almost entirely on their contract commitments. These have been insufficient to keep pits employed, and reports of lost shifts have been received from every part of the coalfield. There is also an entire absence of indications of improvement, and measures have been taken to increase the number of pits working on day-to-day contracts, and permanently to close down some of the older and most unremunerative sinkings. The scheduled prompt tonnage shipments have been able to obtain Newport prices for Cardiff loading. The traffic returns of the Great Western Railway for the 24 weeks ended June 10th last give total coal and coke exports of 11.7 million tons, compared with nearly 13.1 million tons in the corresponding period last year. The following are the current approximate quotations:—Best Admiralties, 19s 3d to 19s 6d; seconds, 19s to 19s 3d; best drys, 18s to 18s 6d; Black Veins, 17s 6d to 17s 9d; Western Valleys, 17s; Eastern Valleys, 16s 7½d to 17s; best small steams, 12s 6d to 17s; cargo smalls, 11s to 11s 6d; coking smalls, 12s 6d to 13s; anthracite, best large, 34s to 35s 6d; Red Vein, large, 20s 6d to 25s; machine-made cobbles, 49s to 42s 6d; French nuts, 40s to 42s 6d; stove nuts, 37s 6d to 38s 6d; rubble culm, 11s 6d to 12s; foundry coke, 27s 6d to 36s; patent fuel, 21s to 22s; pitwood, ex ship, 27s 3d to 27s 6d.

Our Glasgow correspondent writes:—The feature of the market is the sustained strength of washed nuts owing to the scarcity of supplies. Large coal generally is a little steadier, but with the exception of Fife steams and splint, and all Lanarkshire coals, which are now difficult to obtain before the holiday stoppage, prices have not moved. Shipment prices are approximately as follows (f.o.b. district ports):—Lanarkshire—Ell best, 14s 6d; follows (f.o.b. district ports):—Lanarkshire—Ell best, 14s 6d; splint best, 17s; splint second, 16s; navigation, 16s 6d; navigation second, 15s; steam, 13s 9d; Hartley, 16s 6d; trebles, 13s; doubles, 12s 6d to 12s 9d; singles, 12s; pearls, 11s; dross, 10s. Fife—Screened navigation, 18s; first-class steam, 12s 6d; third-class steam, 10s 9d to 11s; trebles, 12s 9d to 13s; doubles, 12s 6d to 12s 9d; singles, 11s 6d; pearls, 11s. Lothians—Prime steam, 12s; secondary steam, 11s 6d; trebles, 12s 6d to 13s; doubles, 12s 6d; singles, 11s 6d to 12s; pearls, 11s. Ayrshire—Unscreened navigation, 16s 6d; jewel, 15s 6d; steam, 13s 6d; trebles, 13s; doubles, 12s 9d; singles, 11s 6d; pearls, 11s; dross, 10s.

Our Sheffield correspondent writes:—Little favourable can be reported of the coal situation. Northumberland and Durham continue to be underbid in export markets by South Yorkshire, whose owners are receiving a subsidy of 4s per ton from the Marketing Board. Owners in the North are discussing measures to combat this new form of competition, and it is probable that their existing mutual selling scheme will be modified.

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demand at the advanced prices of 4½d to 4¼d for 24 lb weft and 5½d to 5¼d for 8 lb chains. Rove is quiet but firm. Fine yarns are not in great demand, and carpet qualities are almost idle, but firm in price. Hessian cloth has been sold in large quantities, especially in 10 ozs 40 ins, for which the River Plate has been the principal buyer. Prices have advanced to 4½d to 4¼d for 10½ ozs 40 ins, 4½d lowest for 10 ozs, and 3½d for 8 ozs. Manufacturers are now very well placed with orders, and appear assured of good trade to the end of the year. Linoleum hessians are quiet, but very firm, and heavy goods are experiencing a moderate business.

HIDE, LEATHER, AND ALLIED TRADES.

The hide market is steadier, and in some cases there is a tendency for prices to advance. Best ox sold from 93d to 93d per lb at last week's Bermondsey auctions, 93d to 10d being made at provincial markets. The demand has improved, and tanners are again taking supplies in view of the firm position. Calfskins are rather scarce, and fully maintain prices in most markets. The tone of the overseas hide market has improved, and prices have advanced in several instances. The Argentine position has improved under the influence of American buying, and fregorific ox are quoted at 11½d, and Montevideos at 11d. Saladero hides are also a shade firmer, and Rio. Grandes have sold as high as 11d. 20,000 Leibig Colon hides are to be sold this week by inscription, and the price obtained will be a good test of the market. Latest cables from Chicago report the hide position as firming up, as heavy packer steers have advanced to 23½ cents—an advance of one cent on last prices. Trading in sole leather is still rather quiet, as shoe manufacturers are not well employed, and merchants not inclined to speculate until prices become more stable. Here and there tanners are reported to have made offers of bends at 1d per lb below list prices, but on the whole the position remains fairly firm. Repairing bends under 30d have been selling fairly well, while dry hide bends from 26d to 28d have gone out in small parcels for immediate requirements. Official is fairly steady, but for big parcels tanners seem inclined to shake quotations, especially where they have accumulations.

In upper leather the demand is rather better in some of the shoe centres. On the whole, however, trade is quiet, and prices a little uncertain. Box and willow are changing hands at late rates, but patent is a little cheaper, and is selling fairly well. Glacé kid in colours is quieter, as there are large stocks of coloured shoes unsold. Black glacé is being sampled in autumn shoes, and as prices of raw skins are high, tanners are holding out firmly for prices on finished leather.

The shoe section is quiet in most of the centres, and in some of them there has been of late a great increase in unemployment.

VEGETABLE OILS AND OILSEEDS.

Markets, though on the whole steady, are far from active, and the volume of business is small. Demand for linseed oil by consumers is very poor, values advancing somewhat on covering and dearer seed, but the advance was not maintained. Current value for raw oil naked ex Hull mill is around £28 15s per ton on spot and July, with later positions at a small premium. Cotton oils continue neglected, and prices have an easier tendency. Crude Egyptian, however, is steadier at £33 15s, but technical refined at £34 15s is lower. Palm kernel oil is easier, but other seed oils unchanged.

unchanged. In the oilseed section linseed is still in poor demand by crushers, both here and on the Continent, in consequence of the slow trade in oil and oilcake. The heavy increase in the quantity of linseed on passage to Europe (180,700 tons, against 152,300 tons last week) has had a depressing effect on values, and afloat and July-August shipment to Hull have receded to £15.12s 6d. Trade in cottonseed is dull and confined to re-sale parcels of Egyptian, which is still firmly held by Alexandrian shippers for £12 on passage and £12 5s July loading. Crushers are not interested at these figures. Oilcakes are in only moderate demand, but prices are firm on short supplies.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—The general position remains rather featureless at the moment. There is very little to be said regarding the United Kingdom, and which market is now quite dominated by British refined, owing to its comparative cheapness since the lowering of import duty on raws. A further change was made in quotations—a reduction of 60 except No. 3 and yellow crystals—and fair clearances resulted. Consuming trade in the world's chief markets can only be described as quiet, and it would appear that buyers know full well that producers in a great measure are in their hands, as supplies of the commodity are on a very ample scale. Private estimates of Java production vary from 2,900,000 tons to 3,000,000, taking into consideration mills outside the trust, against output last season of 2,560,000 tons. Doubts are expressed in many quarters as to the ability of Eastern countries to absorb this excess, and with the 300,000 tons Cuban, recently taken from the original American allotment, having yet to be placed, the market in general is not afforded much encouragement. Despite reduced acreage sown in Great Britain, more favourable climatic conditions than obtained last season should lead to a greater yield, and total output may be slightly larger. T.L. granulated, spot, London, sold, 26s 4½d; Dutch J, held for 26s 6d; German, 26s 1½d; white Mauritius, 24s 3d to 24s 6d; and crystallised West India quiet at 25s to 26s. 9d, as to sample. Colwick, Kidderminster, and Cupar granulated selling at 26s 10d;

with home-grown Cantley, &c., 26s, all ex factory terms. No change to note in the position of continental granulated for shipment. A little business done in Polish crystals, ready, at 14s, f.o.b., Danzig. Czecho, July-August, quoted 14s 2½d; Dutch J, 14s, f.o.b. terms. White Mauritius, September-October, London, 17s 3d; Clyde, 17s 6d, c.i.f. White Java, July-September, to Calcutta, 13s; October-December, 13s 1½d; January-March, 13s 4½d. c. and f. terms; ditto, July, to the U.K., quoted 13s 6d, c.i.f. Raws, steady, quiet. Foreign, 96 per cent., centrifugal, July-August, nominally 12s 3d; preferential, 16s; continental beet, July-August, 11s 8½d; November-December, 11s 9d, all c.i.f., U.K. White terminal dull. August, sold, 14s 5½d to 14s 3½d; December, 14s 5½d; March, 14s 9d to 14s 7½d; May, 14s 10½d to 14s 9½d per cwt. Cuban receipts last week amount to 30,090 tons, against 45,200 last year; exports, 51,670, against 73,690: stocks, 1,157,430, against 1,169,690. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending June 30th amounted to 138,567 tons, compared with 144,410 tons at same period last year.

COFFEE.—Market conditions have undergone no material change. All fine cup qualities are in demand with common, particularly from Kenya also wanted, while showing better value than obtains for Santos varieties. There is still ample room, however, for improvement in demand regarding medium. Fine bold colory Colombian, sold, 153s; Nicaragua, 149s 6d.

COCOA.—Only small spot transactions at late rates. Terminal dull. September, sold, 63s 6d; October, 63s; December, 60s to 60s 6d; Accra, F.F., mid-crop, sold 56s 6d to 57s; October-November, main, 57s; November-January, 56s, f.o.b.

TEA.—Catalogues totalling 45,966 packages Indian were offered during the week, and which should witness the virtual absorption of old season's. Competition was fairly good, and despite slight irregularity previous rates were maintained. Ceylon auctions of 29,426 packages sold with fair spirit, though irregularity ensued at mostly lower prices, as quality continues to show a falling off. Where quality was maintained, steady rates were secured, but plain broken orange pekoes ruled 3d to 1d per lb down. Export demand quiet, especially orange pekoes, and these were only saleable at lower figures. The statistical position remains somewhat unwieldy, and very extensive stocks remain in London. New season's China selling slowly, as though trade buyers show interest in the matter of tasting overland samples they mostly fail to place orders. Java auctions quiet and rather easier. Total landings in London last month, 24,661,514 lbs, against 22,229,337 at same period last year; exports, 39,639,594, against 35,435,585. Stocks on June 30th last reached 161,782,897 lbs, as compared with 126,288,726 at corresponding period last year.

RICE.—Apart from inquiries on Indian account, the market remains very sluggish and prices unaltered. Some direct business was recently put through in Saigon to France and Cuba. Spanish slow but steady.

BEANS.—Market dull. No change in quotations and which are rendered somewhat nominal.

PEAS.—Market quiet. Japanese, spot, London, 24s; June to August, 23s 4d; September-October, 22s 3d cwt, c.i.f., London.

SPICE.—A moderate call for pepper in forward positions and market steady. London stocks of black reduced 13 tons on the week and white by 43 tons. Lampong, May-July, quoted 1s 2½d; August-October, sold, 1s 2½d. Muntok, white, May-July, 2s 1d; August-October, sold, 1s 10½d. Cloves steady. Zanzibar, spot, 1s; August-October, sold, 11½d; October-December, 11½d. lb. No change in pimento or tapioca. Banthong Java, flake, July-August to U.K., sold 21s 6d; pearl, 21s 3d; seed, 20s 3d, c.i.f. Sago flour near quoted, 11s 10½d; forward, 12s to 12s 3d, c.i.f. U.K. Ginger slow unchanged.

FRUIT (Dried).—Currants firm, but generally quiet. Pyrgos quoted 51s to 52s; Patras, 53s to 54s; Amalias, 51s 6d; Gulf, 55s; Vostizza, 59s to 63s; Australian sell steadily at 60s to 64s. Sultanas steady, with a fair business passing in Cape descriptions. Smyrna, quiet. Common to medium, 38s to 55s; good to fine, 56s to 65s; Cretan, 48s to 65s; Australian, new, ranges from 56s to 78s; Californian, 40s to 51s; Cape, 42s to 45s; bleached, 45s to 60s. Raisins in fair request. Valencia quarter boxes range from 32s to 38s; Australian Lexias, 43s to 50s. Figs, spot, slow, but a fair business done in shipment parcels at full rates. Genuine, spot, 28s to 33s, for shipment first half September, 23s to 24s; September, 22s to 23s, c.i.f. Dates maintained. Hallowie, spot, 15s to 20s; Siar, 12s 6d to 16s 6d, as to condition. Evaporated fruits: The market presented a steady tone, and inquiries are increasing, the demand showing improvement for apricots, owing to firmer quotations by shippers for new crop, and similar remarks apply to plums. Pears and peaches, however, show no material change. Californian pears, extra choice, 85s; fancy, 97s 6d; Australian, 100s to 125s. Apricots, royals, new crop, best, 117s 6d; second, 92s 6d; thirds, 77s 6d; Cape, new crop, second grade, 82s 6d; third, 72s 6d. Californian peaches, choice, 65s; extra choice, 67s 6d; fancy, 72s 6d. Plums: Californian, small sizes range from 31s to 38s 6d; and larger, 42s to 66s. Apples: Californian, spot, sliced, extra choice, 110s cwt. Almonds continue to bring full rates on small available supplies and advancing forward quotations. Apricot kernels: Indian sweet, spot, 100s; shipment, 90s, c.i.f. China, bitter, spot, 52s 6d; shipment, 56s, c.i.f. Hazelnut kernels: Kerasunde, spot, 87s 6d; Barcelona, 92s 6d cwt.

CANNED GOODS.

CANNED FRUITS.—Values of Californian fruits show no material change, but buyers were disposed to operate more freely in view of seasonable climatic conditions. Moderate arrivals of Australian descriptions have moved steadily into consumption at current quotations. A better inquiry was dealt with for Singapore pines on the spot, but shipment business restricted by firm asking prices. Hawaiian quiet, with firmer quotations ruling for the new pack. South African continues firm, while in light supply. Italian tomatoes sell more freely, both on spot and for shipment, at steady rates.

CANNED FISH.—Sardines in fair request, and market steady. Portuguese clubs quoted 4s 9d to 5s. Salmon firm, with improved

inquiries. Red tails, 49s to 51s; pink halves, 33s 6d to 34s 6d. Lobsters sell steadily at full rates; halves quoted at 140s to 145s. Japanese crab realised firm rates, but demand lacks activity, spot up to 95s for choice quality, while forward quotations are well maintained.

CANNED MEATS.—Corned beef in slow request at late rates, but ox tongues steady for best qualities. Lunch tongues quiet and tendency easier. Danish tinned hams in good request at firmer rates.

CONDENSED MILK AND MILK POWDERS.—Milk: Full cream sweetened, English, spot, 45s; Dutch, 37s 6d; July, 37s 9d; August-September, 39s 6d. Machine skimmed sweetened, English, spot, 27s 6d; Dutch, 25s 3d; July, 25s 6d; August-September, 26s 3d; all in 5 cwt barrels. Powders: Spray, F.C., 26 per cent., 2 by 56 lb tins, prompt shipment, 90s; Spray, M.S., 1 cwt cases, 42s 6d; Roller, F.C., 26 per cent., 73s 6d; Roller M.S., 34s 6d, all nett, ex-wharf, London, duty paid. On the grocery side, F.C.S., 20s; M.S.S., 11s, basis per case, usual packing.

HONEY.—Market steady, with a fair demand. New crop Jamaica, quoted 32s 6d to 47s 6d; Haiti, 31s to 47s 6d; San Domingo, 32s 6d to 47s 6d; New Zealand, 58s to 88s per cwt, as to quality.

RUBBER.

Market slightly unsettled. Light July tenders, also small ship-

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

[illegible]

August-September, £37; September-October, October-November, and November-December, £36 10s to £35 15s. Lightnings, June-July, £33 15s; sellers, hearts, quoted £31 12s 6d per ton. Market firm, but quiet for hessians, while only small inquiries arise for heavy goods.

HEMP.—Consuming demand is quiet, but shippers of Manila offered with reserve, and in some instances asked slightly higher prices. J2, July-September, quoted, £37 15s; K, sellers, £32; L1, quoted, £31 10s; L2 and M1, £27 15s; M2, £26 15s; S1, £48; S2, £45; S3, £44; C2, £30 10s; C3, £28 per ton. Indian steader, inclined. No. 2 Benares, July-August, £22 5s; Dewghaddy, £35 10s; Harsi, £33 5s; Jubblepore, £29; Sewnee, £31 10s per ton. Sisal slow, unaltered. Mexican receipts last week, 14,000 bales; deliveries, 1,000; stock, 136,000 bales. Manila receipts for the past week totalled 25,000 bales, against 24,000 at corresponding period last year; estimate for next week, 29,000, and following week, 24,000.

COPRA.—Business still restricted, and no change resulted in quotations. Palm kernels, July-August, to Hamburg, sellers, £20 15s ton. **SHELLAC.**—Market firm. T.N., spot, 212s 6d; August, sold, 210s to 205s; October, 210s; December, 206s to 205s per cwt.

TALLOW.—Messrs Colchesters and Woolner write on July 4th as follows:—The tallow market was firm during the week on the spot, and prices were 9d dearer; 10-day, excepting for best mutton. Full rates have been paid for parcels afloat. The stock in London on June 30, as returned by the wharves, amounted to 4,067 packages, showing a decrease during the month of 363 packages. At auction to-day 590 casks tallow were offered, and 275 were sold. Quotations are:—Australian mutton: Fine, 42s 6d; good to fair, 42s to 40s; dull to dark, 38s 6d to 37s 6d; hard, 42s. Australian beef: Fine, none; good to fair, 41s 9d to 39s 6d; dull to dark, 37s 9d to 37s;

sweet, 45s. Present shipment from Australasia—Good mixed, 40s, nominal. Present shipment from South America—40s 6d. The market letter is unchanged for stuff, tallow is dearer. Town tallow, 37s 6d per cwt. Rough fat, per 8 lbs value, 7d; melted stuff, 27s 6d per cwt. Quotations are: Town, 37s 6d net cash, naked, ex works. Country—Frail casks, 38s; home melted, shipping casks, net f.o.b., good coloured, 39s 6d; fair to dull, 39s to 38s. Bone fat: white, none; pale, none; benzine, 33s; melted stuff, 33s, f.o.b.

MISCELLANEOUS.—Coconuts quoted 18s to 23s 6d per 100. Coir yarn, Ceylon, £18 to £28 15s; Cochia, £28 10s to £40; Ceylon bristle, £19 to £26; cinnamon leaf oil, 4d; citronella, Ceylon, 2s 2d; Java, 1s 11d.

METROPOLITAN CATTLE.—July 4.

British Beasts, per stone of 8 lbs to sink the offal. Sheep per stone.

Beasts—Norfolk	d	s	d	Beasts—Heavy Bulls	d	s	d
Irish	..	..	..	Canadian	9	0	8
Cambridge	7	0	7	Sheep—Downs	..	..	..
Short Horns	7	4	7	Half bred	5	0	5
Herefords	7	4	7	Ewes	5	0	5
Devons	7	6	7	Scottish	9	4	10
Leicester runts	..	..	..	Lamb—Downs	..	..	..

LONDON POTATO MARKETS.—July 4.

	Per Cwt.
New English Kidney	8 0 0
" Epures	7 0 0
" Jersey	7 0 0



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For The Yokohama Specie Bank Ltd.—
D. NOHARA, Manager.
3, Bishopsgate, London, E.C. 2.
30th June, 1928.

The Economist,

WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER

Vol. CVII.

SATURDAY, JULY 14, 1928.

No. 4,429.

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THE MONEY MARKET.

WITH the steady repayment to the Bank of the large sums borrowed at the end of the half-year, the market found itself early this week faced with renewed stringency, and on Tuesday loans from the Bank running up to £1,000,000 had to be renewed for a week. Calling by the clearing banks is a partial explanation of this re-

borrowing, but apparently the Bank of England has by the acquisition of short-dated bills and by sales of securities been gradually regaining control of the market, and this only became clear when last week's artificial period of ease came to an end. Short-loan rates this week have run as high as 5 or even 5½ per cent.

The discount market was affected by the restriction in the supplies of short money, while on Wednesday the news of the rise in the Chicago rediscount rate and the weakness in the New York Exchange also served to raise rates. Evidence of the extent of the movement during the past few days is found in the fact that October Treasury bills, which were placed last week at £3 14s per cent., changed hands this week at rates running up to 3½ per cent., or about ½ per cent. higher, thus involving their original holders in a loss. Market rate, too, on three months' bank bills, ranged around 3½-4 per cent., as against 3¼d per cent. the previous week.

	July 12, 1928.	July 5, 1928.	June 28, 1928.	June 21, 1928.	Previous Rate and Date Changed.
Bank Rate	4½	4½	4½	4½	5 (Apr. 21, '27)
Banks' Deposit Rate	2½	2½	2½	2½	3 (Apr. 21, '27)
Discount Call	2½	2½	2½	2½	3 (Apr. 21, '27)
Houses' Notice	2½	2½	2½	2½	3½ (Apr. 21, '27)
Market rate (3 months' bills)	4	3½	3½	3½	..

The Bank return shows an increase in the stock of coin and bullion of £928,683. Circulation has contracted by £805,375, with the result that the Reserve is £1,734,058 higher. As liabilities have contracted by £25,602,591, the proportion of reserve to liabilities has risen by 9½ per cent. to 47½ per cent. Public Deposits are £3,476,536 lower and Other Deposits £22,126,055 lower. On the assets side, Government securities have risen by £1,860,000, but Other Securities have fallen by £29,152,863. Currency notes outstanding were reduced by £3,229,700 this week to £296,926,900, which includes £1,252,200 for notes called in but not yet cancelled. The fiduciary issue is £239,424,700, or £5,510,400 below the maximum.

The New York Federal Reserve Bank on July 12th raised its re-discount rate from 4½ per cent. to 5 per cent. The last change was made on May 18th.

NEW YORK MARKETS.

Our New York correspondent cables:—The advance in the Chicago discount rate, coming after the premature professional recovery from the June break, found the share market in a weak technical position. The prompt advance in the New York and other rates indicates that the Federal Reserve authorities are convinced of the weakness of the hesitant policy previously followed this year. The higher rates are amply justified by the heavy borrowing of the Member banks and the high level of brokers' loans, the latter being probably heavily weighted on account of the frozen inventories of the bond dealers. The weekly Reserve statements show the usual post-holiday contraction in borrowing from the system, with the ratio moderately higher. New York borrowing, however, shows an increase. The steel industry remains active, with indications of a continued large consumption. Automobile business is also held to be good. The Democratic selection of Mr Raskob as campaign manager is considered good tactics and likely to reassure business interests.

THE STOCK MARKETS.

The stock markets were unfavourably affected by tighter conditions in the London money market, the rise in Federal Reserve rates, the completion of the first account following the death of Captain Loewenstein, and considerable liquidation from the Continent, where Brussels was somewhat of a storm centre. Gilt-edged stocks tended to lose ground, but foreign issues remained generally steady. Quotations for home rails continued to sag. The more speculative industrial shares showed appreciable weakness, and mining descriptions were largely sold. Tea shares were stronger than last week, but the rubber share market continued featureless. The lists of the following new issues, *inter alia*, were early closed:—H. and G. Simonds, Richings Park Estate, Timothy White, British Benzol and Coal Distillation, and Rubens-

Rembrandt Hotels. The underwriters were called upon to take up 89 per cent. of the Brisbane City Loan.

THE COMMODITY MARKETS.

Markets have so far given no sign of a revival in trade. Wheat prices are easier, under the influence of favourable weather conditions and reports of satisfactory progress in the crop. The coal trade remains depressed, the only hopeful features being a revival in Italian trade and an improved export demand for blast furnace coke. Business in iron and steel is very restricted, and no improvement is noticeable. Conditions in the South Wales tinplate trade remain satisfactory. On the London metal exchange, tin and copper are both firm. Liverpool reports the cotton crop outlook to be rather better, but attaches no significance to the reported increase in acreage. Manchester trade is inactive. Wool prices were firm at last week's London auctions, and this has caused Bradford top-makers to strengthen their attitude. The inactivity at the manufacturing end of the industry continues to cause anxiety. Hide prices have rallied from their recent decline, and the tone of the leather markets has improved in consequence. On the produce markets, business in rubber is steady. Indian tea prices are unchanged.

FOREIGN EXCHANGES.

The foreign exchange market was active on Wednesday, but rather on the quiet side during the rest of the week. The principal feature was the further weakness of sterling against the dollar as a result of renewed high money rates in New York. The Chicago Federal Reserve rediscount rate was raised to 5 per cent. after the close on Tuesday. Most of the Continental exchanges also moved against this country. New York opened weak at 4.87½, and the rate fell fairly steadily until 4.86½ was reached on Thursday, after business had been done at 4.86½ on the previous day. Forward dollars were more on offer at wider discounts of ½ cent and 1¼ cent for one and three months respectively. Montreal followed the U.S. dollar from 4.88½ to 4.87½, and forwards for both periods were quoted at about the par rate. Paris fluctuated to a certain extent, but was better on balance at 124.25 on Thursday, forward quotations being little changed at premiums of 9 centimes and 20 centimes for the two periods. Brussels improved fractionally to 34.90, the discount for forward quotations being 1½ centimes for one month and 3 centimes for three months. The lira showed weakness again at 92.89, as against 92.78 last week, and forward lire were less sought at wider discounts of 4 and 11 centesimi for the two periods. Madrid was steadier under the new Control Commission at 29.51, and forwards were again unchanged. Of the gold exchanges, Amsterdam improved from 12.00½ to 12.08½, as did Berlin from 20.41½ to 20.40. Stockholm was a half-point better at 18.16, and Geneva improved to within measurable distance of parity at 25.24½ from 25.28½. Oslo was also better at 18.20, against 18.21½. Forward guilders were more offered at wider discounts of 1 and 2 cents, as were forward reichsmarks, also at wider discounts of 3¼ pfennigs and 8½ pfennigs for the two periods. Of the other European exchanges, Copenhagen gained a quarter-point at 18.19½. Among the South American exchanges, Buenos Ayres alone showed any change, and lost 3-32d at 47½d. In the Far East the rupee was steady at 1s 5 29-32d, after easing fractionally for a time with the easing of money rates in Calcutta. The yen was unchanged on balance after a tendency to weakness at 1s 10½d. Batavia improved from 12.11½ to 12.10½. The silver market was narrow and fluctuations small, with China operating in both directions, but a seller on balance. The Chinese silver exchanges fell away a little in response to last week's fall in silver, Hongkong declining ½d to 2s 0½d and Shanghai ½d to 2s 8d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended July 7, 1928:—

(000's omitted.)			
EXPENDITURE.	£	RECEIPTS.	£
Increase in Balances	293	From Revenue	10,948
Supply Services	7,845	Increase in Debt	6,143
Interest, &c., on Debt	7,891		
Sinking Fund	765		
Sundries	367		
	17,091		17,091

The ordinary revenue for the week ended July 7th amounted to £10,947,600. The receipts for the corresponding period were for nine days, and amounted to £16,854,800. Property and Income-tax yielded £3,375,000, and Super Tax £400,000. Estate, &c., duties yielded £1,440,000. Customs produced £2,150,000, and Excise £875,000. Special Receipts under Miscellaneous yielded £1,080,000. The week's operations increased the National Debt by £6,143,900, and caused the following changes:—

(000's omitted.)			
Bank of England Advances	£ 250	Treasury Bills	£ 2,932
National Savings Certificates	50	Public Department Advances	3,500
		Sundries	12
	300		6,444

The floating debt was increased by £5,180,000 to £759,985,000.

FINANCIAL YEAR, 1928-29, April 1 to July 7, 1928.

£		£	
Expenditure	225,214,098	Revenue	139,491,094
		Amount borrowed ..	82,167,055
		Decrease in balances ..	3,555,949
	225,214,098	Total	225,214,098

ESTIMATES (New Basis), 1928-29.

£		£	
Expenditure	676,581,000	Revenue	*756,083,000
Sinking Fund	65,000,000		
Surplus	14,502,000		
	756,083,000		756,083,000

* Includes £13,200,000 from Currency Notes Assets.

SELF-BALANCING REVENUE AND EXPENDITURE.

£		£	
Post Office	57,314,000		
Road Fund	21,300,000		
	78,614,000		

The surplus of £4,239,000 for 1927-28 is carried forward.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—National Bank of New Zealand, British Empire Trust, P. and O. Banking Corporation, Ailsa Investment Trust, Anglo-Ceylon and General Estates, Mond Nickel, Apollinaris and Johannis, and International Tea Companies Stores. The chairman of the P. and O. Banking Corporation reviewed trading conditions in the East, taking, on the whole, a hopeful view of the Chinese situation. The British Empire Trust meeting was noteworthy for the full particulars furnished by the managing director of the concerns in which the company is interested.

INSURANCE SUPPLEMENT.

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

The attention of our readers is drawn to a rearrangement of the matter appearing in THE ECONOMIST. Articles and notes of the week dealing with investment topics and company reports, a review of the markets, latest quotations of active securities, comments on new issues, and other news of special interest to investors have been grouped together under the general heading of "The Stock Exchange." This section commences in the present issue on page 74.

THE ECONOMIST.

THE present week has witnessed an important event in the history of this journal. On Monday, July 9th, the Court approved an application by the trustees of the Wilson Trust for permission to sell the *Economist*. Thus for the first time in its eighty-five years of life a change takes place in the ownership and control of the *Economist*. As to the nature of the change we cannot do better than quote the notice which appeared in the Press on Tuesday, July 10th:—

The approval of the Court was given to-day for the sale of the *Economist*. Founded in 1843 by the Rt. Hon. James Wilson, the *Economist* has, since his death in 1860, been held in trust for his six daughters and their descendants. There are certain disadvantages in a newspaper being held by a trust of this kind, which as time goes on tends to become involved in a series of subsidiary trusts, while the beneficiaries inevitably lose direct touch with the direction of the paper. The Wilson trustees, therefore, recently came to a decision to dispose of the *Economist*, if and when a suitable opportunity offered. It was felt, however, that if the control of the *Economist* were to pass either to a newspaper group or to any particular financial interest, a reputation built up on independence of judgment and unfettered criticism would be jeopardised. Arrangements have accordingly been made by the purchasers which will ensure the complete editorial independence of the paper.

Half of the voting shares of the company owning the *Economist* will be held by Financial Newspaper Proprietors, Limited, in which Messrs Eyre and Spottiswoode hold a controlling interest, and half by an influential group of individual shareholders. Both parties are anxious to maintain the traditional character of the *Economist*, and it has, therefore, been agreed that the articles of the company will provide for the appointment of a board of independent trustees with the following functions:—

(a) They will have the right to veto the appointment or dismissal of any Editor of the *Economist*, the Editor to have sole responsibility for the policy of the paper so long as he retains his office;

(b) They will have the right to veto the transfer of voting shares in the new company;

(c) They will be represented on the board. By these and other provisions which will to a considerable extent be modelled on the articles of the Times Holding Company, the independence of the *Economist* will be amply safeguarded.

To this we need add but little. We may, however, allay at once any suspicion which may beset the mind of any reader by assuring him that if he looks for revolutionary changes in policy or form he will not find them. While it is our belief that the new arrangement will conduce to efficiency and modern development, the Press notice, quoted above means precisely what it says—namely, that the maintenance of the character, traditions and independence of the *Economist*, which will be owned by a separate independent company, is as much the objective of the new proprietors as it was of the old. The agreement adumbrated above confers very important powers on a body of independent trustees. The right to veto the transfer of shares—with a view to preventing control being acquired by persons who might use it for improper purposes—follows the precedent set by the *Times* and the *Spectator*. But the present scheme goes farther, and gives to the trustees a voice in the appointment or dismissal of the Editor. In the long history of the *Economist*, which has played no small part in moulding the tradition of British financial journalism, full responsibility has resided in the hands of the Editor. It has, in fact, been the chief asset of the *Economist* that its editorial policy has been entirely free from external pressure or control. This independence, which is our most cherished inheritance, will continue under full and adequate safeguards.

The severing of a life-long link cannot be allowed to pass without some reference to the family to which the *Economist* owes its birth, its upbringing, its graduation

and its establishment in the world of journalism. For the first seventeen years of its existence the *Economist* was under the personal supervision of its founder, the Right Hon. James Wilson, who contrived to combine with its direction a very active political life—first as private Member of Parliament, subsequently as a member of the Government, and finally as the occupant of the very exacting post of Financial Secretary of the Treasury. The paper was founded in close association with the Anti-Corn Law movement, some of the leaders of which were of opinion that the new journal should be an official organ of the League. But Wilson himself, and his chief supporters, Villiers and Lord Radnor—the latter of whom was his sole financial backer—were strongly in favour of an independent paper. Hence, though for several months after its publication it continued to appear with the subtitle "A Political, Commercial, Agricultural and Free Trade Journal," and gave a very great deal of space to the League and its doings, it was from the first a much more general paper than a mere propaganda organ. The reputation for independence of thought and criticism which it quickly established, and its subsequent history, amply justified Wilson's decision. It has, however, been a cardinal principle of the *Economist* from that day to this that the fundamental necessities of Britain's economic prosperity are international peace and the freest possible commercial intercourse between the nations.

If the *Economist* was of considerable importance in British thought in the days of Wilson, it achieved international influence under the editorship of Walter Bagehot (1860-77). These two men were mainly responsible for creating the *Economist* traditions which were carried on in the editorial chair by Inglis Palgrave (1877-83), D. C. Lathbury (joint editor, 1878-81), Edward Johnstone (1883-1907), F. W. Hirst (1907-1916), and Hartley Withers (1916-21). Their work, however, belongs rather to the editorial and political history of the *Economist* than to its ownership.

In 1859 Wilson went to India to become Finance Member of the Viceroy's Council, leaving his son-in-law, Walter Bagehot in charge of the *Economist*. In 1860 in the midst of heavy and fruitful labours for Indian finance, Wilson was stricken with dysentery and died, leaving the newspaper property, which he had created, in trust for his six daughters, Mrs. Bagehot, Mrs. Greg, Mrs. Horan, Mrs. Shipley, Mrs. Halsey, and Mrs. Russell Barrington. Mrs. Bagehot maintained a close personal interest in the fortunes of the *Economist* until her death in 1921. The sole survivor, Mrs. Barrington, published last year a biography of her father, which contains the most detailed information available as to the establishment and early history of the *Economist*.

PEACE AND THE PEACE TREATIES.

THE possibility that in the near future a fresh step may be taken towards assuring—among civilised nations, at all events—something like permanent peace makes it pertinent to point out that the institution of such a régime is only the first step, and that the world will have ultimately to face some very far-reaching questions. The most fundamental is how to provide for change—economic, social, political. If permanent peace means an attempt to preserve the status quo for ever it is doomed to failure. Changes in wealth, population, political and industrial status must be provided for in the new world. The question is neither remote nor academic, but is already at the door of Europe's foreign offices in the shape of the desire, which must be frankly faced, for the modification of the peace treaties. The tenth year—in which we now find ourselves—after the close of the Great War of 1914-18 is about the right time for taking stock of the situation in this respect. On the one hand, it is not too soon after the event; for, after ten years, political arrangements which are really going to work satisfactorily, and lions and lambs who are really going to lie down together may be expected to show strong signs of doing so; and, conversely, wherever, after ten years, we see passions still unallayed, and spirits

still unresigned, we may presume that we have laid our finger on a permanent danger spot which is likely to be at least as dangerous ten or twenty years hence as it is to-day. On the other hand, the tenth year after the last general war is none too early a date for beginning to look ahead, with apprehension, towards the next in the series; for history seems to show that one access of this plague does not endow the survivors with immunity for much longer than the span of a single generation.

Therefore it is in the public interest that the peace settlement of 1918-20 should be impartially and competently reviewed here and now, and this not by the statesmen whose reputations are bound up with the settlement, nor, again, by those sections of the people of Europe who are the special beneficiaries or the special victims of the peace treaties, but by private persons of authority, integrity, and experience, with no interests of their own—either national or personal—to serve. In so far as it fulfils these rather exacting conditions, Sir Robert Donald's book* is a welcome contribution to the cause of European peace; and though it is *ex-hypothesi* a controversial book, it evidently does answer to the conditions which we have specified—at least to a sufficient extent as to make it worthy of very earnest consideration by Europeans of intelligence and public spirit.

It goes without saying, of course, that inasmuch as the very purpose of reviewing the peace settlement is to avert further outbreaks of violence, with the destruction and misery that follow in their train, our judgment of such efforts will be determined very largely by our sense of the spirit in which this delicate task is undertaken; and we shall not applaud those who undertake it in a spirit which encourages feelings of revenge, even for clear wrongs, or which raises false hopes of redress in cases where local injustices are patently incapable of being righted except at the cost of inflicting other and greater local injustices, or perhaps of bringing another general catastrophe upon the devoted head of Europe herself. We hasten to add that Sir Robert Donald has not written this book in that spirit—though he does frankly write as the champion of one nation which has notoriously inflicted as well as suffered injustice; and this championship, though quite natural and honourable in itself, inevitably carries with it a certain limitation of vision in reviewing a situation where it is particularly desirable "to speak European," in Monsieur Briand's phrase. We mention the danger of an irresponsible and inflammatory treatment of these painful wounds in the European body politic not by way of criticising Sir Robert Donald, but because his indictment of the Treaty of Trianon follows, and is apparently to some extent deliberately associated with, a Press campaign in Great Britain to which, in our opinion, such criticism does apply.

This being said, we may at once declare our belief that the Treaty of Trianon is a good point at which to start any review of the peace settlement of 1918-20, and this for several reasons. In the first place, this is one of the relatively few outstanding cases in which the victims of the peace settlement have refused not merely to accept the settlement as equitable, but even to resign themselves to it as inevitable. In fact, the present Hungaro-Czechoslovak and Hungaro-Roumanian frontiers constitute two out of half-a-dozen danger zones on the present political map of Europe after ten years; and thus a searching inquiry into the working of the Treaty of Trianon will carry us a long way towards estimating the prospects of peace and war in Europe as a whole. No doubt the fact that the Magyars are still unreconciled after ten years does not prove that they have a good case. Their special obstinacy might be due to an exceptional dose of spiritedness or fanaticism in their national idiosyncrasy. The presence of apparently permanent unrest does, however, constitute a standing menace to the welfare of Europe which Europeans would be unwise to ignore.

Another and a stronger reason for taking up the case of the new frontiers assigned to Hungary as against

* "The Tragedy of Trianon: Hungary's Appeal to Humanity." By Sir Robert Donald, with an introduction by Lord Rothermere. Thornton Butterworth. 7s 6d net.

Czechoslovakia and Roumania is that the situation here is typical, in several important respects, of a situation which exists in many parts of Europe, and which constitutes a cumulative menace to the welfare of Europe which is very formidable indeed.

For one thing, the present trouble is envenomed by memories of ancient wrong. The preposterous relationship of "top-dog" and "under-dog" has not been invented by the recent peace settlement. The authors of this settlement simply left the relationship as they found it, but caused the parties to exchange rôles. The Magyars are now suffering the kind of treatment which they inflicted before; the Slovaks and Roumanians are playing the invidious part of the Unmerciful Servant in the Parable. This is admittedly a bad business; but it is important to ascertain, by an accurate inquiry into the facts, exactly how bad it is. The pro-Magyars say that the Slovaks and Roumanians are giving the Magyars worse than they ever got from them, just because they have these old scores to pay off and because it is human nature to pay them off with interest. The pro-Slovaks and pro-Roumanians say that though abuses may exist under the present régime in the Succession States, these are not comparable to the abuses of the Hungarian régime before 1918. Which contention is the nearer to the truth? It is important for Europe to know.

Another feature in which the situation along these Hungarian frontiers is unhappily characteristic is the persistence of an intransigent temper in both camps. There are certainly some Magyar irridentists who will be content with nothing short of an integral restoration of the pre-war frontiers—regardless of the fact that those frontiers violated the principle of nationality still more flagrantly than they are violated by the Trianon Line. On the other side, there are certainly some Czech-Slovak and Roumanian chauvinists who are as grimly bent upon the policy of "isolation" (the blank has accommodated the name of every East-European nationality in turn) as ever the Magyars were in the days of their ascendancy. Here, again, it is important for Europe to learn, by investigation, whether it is a majority or a minority on either side that is animated by this benighted spirit.

Finally the situation is typical geographically, as regards the distribution of the Magyar minority which has been transferred, by the re-drawing of the political map, to alien rule. Part of this minority occupies districts contiguous to the new frontiers, and a rectification of these new frontiers which would restore some of these people to their own country would have a great deal in its favour—both on grounds of justice to the people directly concerned and in the interests of peace for Europe as a whole—even if it involved a certain strategic and economic inconvenience for the Succession States. Sir Robert Donald prints a map showing rectifications of this kind which have been suggested by Lord Rothermere; but Lord Rothermere only claims for his proposals that they would restore about 2 out of 3½ million Magyars at present cut off from Hungary, so that his rectifications would not completely solve the problem, even if they were accepted without being whittled down; and there are some of the remaining 1½ million—for instance, the Magyars and Szekels who occupy the extreme eastern corner of Transylvania—who could not be reincorporated in Hungary without at the same time reincorporating a considerably larger number of non-Magyars. In Hungary, as in many other parts of Europe, this problem of outlying minorities cannot be solved by frontier rectifications at all. It can only be solved by a thorough-going application of those treaties for the protection of minorities which were intended to form one indivisible whole with the treaties of peace. Sir Robert Donald is quite right in his contention that these minorities treaties are not now being carried out in the spirit in which they were conceived, whether or not they are being observed in the letter.

On this, as on the other matters touched upon above, Sir Robert Donald's book deserves close and friendly study. His subject being as controversial as it is, it is certain that he will not obtain the complete assent of many people. On the other hand, there will be few fair-minded people who will not find themselves assisted by

reading this book to form their own judgment on a matter which is obviously a serious menace to European peace.

LOCAL GOVERNMENT REFORM.

The following article by a local government expert deals with the important question of the proposed redistribution of powers among local authorities. We propose to discuss the finance of the Government's scheme in a later article.

THERE have been no legislative proposals affecting local government which make such important changes as those outlined in the White Paper Cmd. 3,134, since the Local Government Acts of 1888 and 1894 were passed. The former of these Acts established administrative county areas, and the second reconstituted local sanitary authorities, setting up urban district and rural district councils for the care of local services like sewerage, public health, and roads. At that time the roads were regarded as being predominantly a local service, and as such were a charge upon the local district, save only for a comparatively few trunk roads, technically defined as "main roads," which were charged not upon the local borough or district council's funds, but upon the whole area of the administrative county. County boroughs—towns over 50,000 population—have always kept their own roads since 1888, at their own cost. Since that time the tendency has been to enlarge the functions of the larger as compared with the smaller unit—especially so far as roads are concerned.

The present Government scheme extends the principle of enlarging the administrative unit or area for the management of roads towards making the county council, over its wider area, the governing body for other services. It is not the purpose of this article to review the financial readjustments involved in the Government scheme, but to consider it from the point of view of the best distribution of local powers.

At the outset we must ask the question whether in magnifying the importance of the county council we have reached finality. The largest local unit in any public service of any importance is the administrative—and sometimes the geographical—county. We have nothing, for example, corresponding to the provincial councils performing duties midway between local and national, as in Canada and South Africa, nor have we any intermediate bodies corresponding to the separate States, as in the United States. Has the time come when we must recognise that some such intermediate establishment is necessary in the interests of good government in matters such as roads in this country? Is it wise, now that a change is being made in reforming the system of management and maintenance of the chief roads of the country, to found the new scheme on the doctrine that we can only use the largest administrative unit we now have—namely, the administrative county?

There will still be relatively small county areas of road administration, not well blessed with rateable properties, upon which to levy road rates. Some of them are counties which have relatively the least local county traffic upon their roads, especially where they lie in the districts traversed by the six or seven great main roads from London to the north, north-east, north-west, midlands, south, and west. If it is recognised that modern traffic cannot be localised in towns, or in any one or two local government districts within one administrative county, can it be denied that traffic is national rather than local throughout most counties as a whole? Logically it would seem to follow that modern traffic conditions have so widened the basis required for good management, as well as for equitable finance, in respect of roads, that an even wider area than a county would form the best foundation for road management reform. Supposing there be a *prima facie* case for wider provincial areas or regions to be constituted to look after the roads, what administrative advantages and disadvantages might follow? Amongst the advantages there would appear to be at least two worth consideration—namely (1) a wider appreciation of traffic needs than some of the smaller counties can be expected to show, and (2) the organisation of an adequate establishment of staff and services to carry out

the policy of the authorities charged with road development and maintenance in this country.

Amongst the disadvantages would be the need for establishing a new public authority, which one may for the moment suppose to be a road board for a region, constituted of members of the local councils in the area, mostly it may be county councillors. Some might argue that this newly constituted board would be an advantage rather than a disadvantage, for not a few small towns have complained in the past of the agricultural view dominating county council management, to the detriment of local needs in small boroughs or suburban districts whose interests are regarded as being too often subordinated to the farmer's outlook. As long as agricultural land paid large amounts in the aggregate as road rates, the farmers' standpoint in viewing these road problems might be understood, and must not be too severely condemned; but now that agricultural land is released from all liability to all rates, including road rates, there is scope for the exercise of longer vision over a wider horizon than that defined by a county boundary.

As regards the staff and equipment of such a regional authority, one may contemplate either a separate staff for the maintenance of these national, or at any rate non-local, roads, coming under regional jurisdiction, or the utilisation of existing officials and employees, as agents carrying out the orders of their present employers, the county councils, but under the general direction of the regional road board. This latter arrangement for local councils as agents to carry out the executive work is well recognised in the business of public road maintenance at the present time, and there would appear to be no insuperable difficulty in adapting it to the new conditions, if the larger areas be an acceptable part of a new policy. In other words, road costs may be borne over a regional area under a regional road board, still utilising local staff and material, without creating new departments.

In any event, there is no doubt that a better roads service than that which now exists will be maintained by the adoption of the Government's proposals. But we would like to think that sooner or later the present proposals of the Government will be regarded as but one stage along a path which will lead to the creation of still larger units for road maintenance purposes than the existing counties.

Turning to the poor law proposals, we believe the Minister of Health is right in going back to his original idea of abandoning the area of a poor-law-union-of-parishes as his unit, and substituting the larger establishments of the county councils in the country, and the county boroughs in the large towns. (County boroughs may roughly be taken as the towns having more than 50,000 population.) It is essential that the greatest possible care shall be taken to maintain a close supervision over the distribution of relief under the new system, and local agents must be preserved in the most effective way, lest the establishment of larger units of government for distribution of poor relief leads to a weakness of the check or control upon the large sums so disbursed out of the ratepayers' pockets.

It is probable that this will be the acid test of the new system, both in the counties and in the towns. Such relief, speaking in the broadest and most generous terms, covers institutional treatment at establishments such as work-houses—to give them their old name—poor law infirmaries, hospitals and children's homes, in one branch, and grants to persons by way of out-relief—that is to say, cash or kind, dispensed to the needy in their own homes, on the other. As to the former, there is reason in the Minister's claim that much waste has been incurred in providing all forms of institutional treatment in every locality while there may be empty beds or half-full establishments nearby. Everybody appears to recognise the need for pooling the aggregate resources in institutional accommodation in larger districts than those which are at present managed by poor law authorities, but it is the experience of this country that local management of these institutions has many advantages over national or State management. The test of efficiency and economy of local administration of out-relief, however, may afford curious contrasts. For instance, while local authority supervision (by Boards of Guardians) of the distribution of relief given

at the homes of the needy is theoretically, at any rate, accepted as necessary and desirable, great improvements have been effected in certain cases in areas where local agencies were displaced by Commissioners acting under the directions of the Minister of Health. Can a body administering a larger area like the county do better in this matter than the local boards of guardians, or than commissioners? Experience alone can answer the question. But it is a curious circumstance that assistance in the form of Unemployment Insurance benefits and Old Age pensions should be amongst the functions executed locally by State officials, while poor relief is vested in local management under the existing guardians of the poor, or in future, under the county councils. It is not easy to draw the line between these two systems of administration, and in some districts dissension has been rather acute, following allegations that the locality was being called upon to furnish relief which ought to be forthcoming from the State, either by additional grants, or by a wider recognition of the claims of cases to unemployment benefit.

Hence, regarding the problem purely from the administrative standpoint, we would regard the Ministry's scheme as being to some extent experimental and even, it may be, transitional, for local government is rarely static in any of its forms, and we have too long delayed material changes such as those now before us for consideration. The enlargement of the unit of Government, however, also involves consideration of the constitution of these bodies, which, if the region is made great enough, tend to become minor Parliaments. This means they must be staffed by well-to-do and leisured amateurs or by professional politicians instead of drawing on the spare time of public-spirited local citizens. But this in an argument—not for running the county inefficiently—but for an overhaul of its representative machinery.

THE PROGRESS OF STABILISATION.

ALTHOUGH one or two European countries, the most important of which is Spain, have finally to stabilise their currency, the *de jure* stabilisation of the franc really marks the close of currency disorganisation in Europe. Beginning with the League of Nations' rescue of the Austrian crown in 1922, during the past six years the principal European nations have one by one forsaken the allurements of inflation and returned to one or other of the modern modifications of the gold standard. In some cases it has been possible to re-establish the old pre-war parity, while in others it has had to be abandoned for a new par; but in all cases law and order have now successfully replaced chaos.

The moment is therefore opportune for summarising the changes that have resulted from this very chequered epoch in economic history. This is done in the table on the opposite page, where the main features concerning stabilisation are presented, the countries concerned being arranged chronologically, according to the dates when stabilisation was effected. The countries fall naturally into two groups. In the case of those marked (A) the pre-war parity was successfully re-established, while those countries that are marked (B) had to find a new par. Germany, of course, falls within the latter category, as although the gold content of the new reichsmark was the same as the old, the ratio between old and new marks was one billion to one. Certain countries in the latter group went so far as to substitute new monetary units for the old. Thus Austria adopted the schilling, Hungary the pengő, Russia the chervonetz, and Belgium the belga. In the last two cases, however, the old units, the rouble and the franc, are retained for internal use, with fixed conversion ratios between the old and the new units.

It will be seen that in some cases, while provision for convertibility has been made, the regulations defining this have yet to come into force. It is right to add that such is the degree to which confidence has been restored that this omission possesses little real significance.

To judge from the column of the table relating to the cover attached to the new note issue, it is clear that

STABILISATION OF EUROPEAN CURRENCIES.

Country.	Date of Legal Stabilisation and/or Revaluation.	Old Coin and Par with £.	New Coin and Par with £.	Note Regulation.			
				(A) Issuing Authority.	(B) Cover. (Also see text.)	(C) Convertibility.	(D) Remarks.
(B) AUSTRIA..	October, 1922 (signature of League of Nations Protocol). (Schilling introduced March, 1925).	Austro-Hungarian Crown, 24.02.	Schilling, 34.584 = 345,850 paper krs. (i.e., 1 schilling = 10,000 paper crowns).	Central Bank.	Gold or gold exchange up to 20% first five years, 24% next five years, 28% next five years, 33% thereafter.	Specie payments not yet enforced.	Notes can be issued in excess subject to tax when reserve ratio falls below minimum.
(B) CZECHO-SLOVAKIA.	De facto stabilisation since 1923.	Austro-Hungarian crown, 24.02.	Czech crown stabilised de facto at 162.5.	Central Bank.	20% gold or gold exchange, increasing by 1% per annum to 35%.	Date of convertibility to be fixed by currency law.	Bank established by Act of 1920, amended by Act of April, 1925. Notes can be issued in excess subject to tax.
(B) GERMANY.	Reichsmark first issued November, 1923; new reichsmark introduced October, 1924.	Mark, 20.43.	Reichsmark, 20.43. One reichsmark = one Rentenmark = one billion old marks.	Central Bank (in practice), but four other banks have limited rights.	30% gold plus 10% gold or gold exchange.	Convertible into gold coin, bullion, or gold exchange. The provision as to convertibility is not yet in force.	Ratio of Rentenmark and Reichsmark to old mark was one to one bill on. Notes can be issued in excess, subject to tax.
(B) RUSSIA..	1922-1924.	Rouble, 9.46.	Chervonetz, .946. (First issued October, 1922.) New rouble (first issued February, 1924); this is the unit in internal use.	Central Bank.	25% gold or precious metals or gold exchange.	Date of convertibility to be fixed.	The pre-war rouble virtually disappeared prior to the introduction of the chervonetz. Ten new (1924) roubles equal one chervonetz.
(A) SWEDEN..	April, 1924.	Krone, 18.15.	Krone, 18.15.	Central Bank.	Normal max. issue is kr. 125,000,000, plus double metallico reserve, which must be not less than kr. 75,000,000.	Convertible into gold.	Convertibility suspended during war and until 1924. Bank law amended in 1924.
(B) HUNGARY.	De facto stabilisation (based on sterling) July, 1924. Pengő instituted December, 1925.	Austro-Hungarian crown, 24.02.	Pengő 27.82 = 347,750 paper krs. (i.e. 1 pengő = kr. 12,500).	Central Bank.	Pending introduction of specie payments gold or gold exchange up to 20% 1st 5 years, 24% next 5 years, 28% next 5 years, 33% thereafter.	Specie payments not yet enforced.	Notes can be issued in excess subject to tax if reserve ratio falls below minimum.
(A) UNITED KINGDOM.	April, 1925.	..	..	Central Bank and State; but under 1928 Act Bank to be sole authority as from "appointed day."	Fixed fiduciary issue under 1928 Act to be £250,000,000, to be exceeded only by limited Treasury authority.	Convertible into gold bullion (minimum of 400 oz.).	These provisions are as laid down by Acts of 1925 and 1928.
(A) HOLLAND.	April, 1925.	Florin, 12.11.	Florin, 12.11.	Central Bank.	Pre-war 40% gold; since 1914, 20% by law, but over 40% in practice.	Convertible in practice gold exchange standard is in force.	..
(B) BELGIUM.	October, 1925.	Franc, 25.22.	Belga, 35. For internal use the franc is used. Fr. 5 = 1 belga.	Central Bank.	30% gold, plus 10% gold, or gold exchange.	Convertible into gold, silver, or gold exchange.	..
(B) POLAND..	July, 1924, first stabilisation. Octbr. 1927, second stabilisation.	Divided between Russia, Germany, & Austria. In 1919 the Polish mark at 20.43 was temporarily instituted.	Zloty, 43.38 since October 31, 1927—after being stabilised at 25.22 in 1924.	Central Bank.	Cover of bank's note and demand obligations to be 20% gold at home, plus 10% gold at home or earmarked abroad, plus 10% gold at home or abroad, or gold exchange.	Convertible into gold or gold exchange.	Note issue subject to graduated tax. In 1925 the first stabilisation scheme broke down, and renewed depreciation set in.
(A) DENMARK.	January, 1927.	Krone, 18.15.	Krone, 18.15.	Central Bank.	50% cover in gold, or demand balances with Central Banks of Norway, Sweden, and Germany; at least 36% of total cover must be gold.	Convertible into gold bullion (minimum Kr. 28,000).	Notes can be issued in excess by Royal Proclamation, subject to tax if reserve ratio falls below minimum.
(B) ITALY....	December, 1927.	Lire, 25.22.	Lire 92.46. 1 new lire = 27 old lire.	Central Bank.	40% cover in gold or gold exchange.	Convertible into gold or gold ex.	..
(A) NORWAY..	May, 1928.	Krone, 18.15.	Krone, 18.15.	Central Bank.	Maximum fiduciary issue of Kr. 250,000,000.	Convertible into gold.	Notes can be issued in excess by Government authority, subject to tax if reserve ratio falls below min.
(B) GREECE..	May, 1928.	Drachma, 25.22.	Drachma, 375. One new drachma = 167 old drachma.	Central Bank.	40% cover in gold or gold exchange.	Convertible into gold or gold exchange.	New Central Bank, established 1928.
(B) FRANCE..	June, 1928.	Franc, 85.22.	Franc, 124.21. One new franc = .203 old franc.	Central Bank.	Cover in gold amounting to 35% of notes and creditor current accounts.	Convertible into gold currency or bullion (minimum amount to be fixed later).	..
(A) SWITZERLAND....	..	Franc, 25.22.	Franc, 25.22.	Central Bank.	40% metallic cover; foreign five franc pieces at bullion value of their silver content.	v. remarks.	Notes have been legal tender since 1914. They are still legally inconvertible, but see text.

modern currency practice has favoured the American ratio system rather than the British system of a fixed fiduciary note issue. Thus Czecho-Slovakia, Austria, Germany, Russia, Holland, Switzerland, Hungary, Belgium, Poland, Denmark, Italy, Greece, and France have all adopted the ratio system, and only in the cases of Holland, Switzerland, and Denmark does this form of regulation date from before the war. In addition to Great Britain, the only present-day exponents of the fixed fiduciary system are Sweden (where the two systems are combined) and Norway, and in both these last cases the pre-war system was restored.

The only countries where the full gold standard is in force to-day are Sweden, Holland, and Norway, and Holland is in practice under the gold exchange standard. The United Kingdom, Denmark, and France employ the gold bullion standard, though France has still to lay down the details of convertibility. The full gold exchange standard, where notes are convertible into gold coin, bullion, or foreign gold currencies at the option of the Central Bank, is in force, or is to be in force, in Germany, Belgium, Poland, Italy, and Greece. Convertibility has still to be arranged in the case of Austria and Russia, while the Czecho-Slovakian currency, though one of the earliest to be stabilised, is still in an indeterminate though perfectly sound position.

Switzerland occupies a peculiar position. Convertibility was perforce suspended at the outbreak of war and the virtual break-up of the Latin Monetary Union, but the Swiss franc never depreciated to any great extent, even against the dollar, and for six years after the war stood at a premium on sterling. Moreover, gold remained in circulation. In 1925 it was brought back to parity with the dollar, and has remained so ever since. At the same time, the suspension of convertibility effected in 1914 has never been formally annulled. For this reason Switzerland is placed at the foot of the table, but she has an equal claim to be placed at the head. Currencies which perforce had to be omitted from the table include those of Danzig and Bulgaria. The Free State of Danzig adopted in November, 1923, a sterling exchange standard, at a new parity of 25 gulden to the pound. Bulgaria has yet to introduce *de jure* stabilisation, but she has signed the League protocol paving the way to this step, and once the proposed stabilisation loan has been issued and the Central Bank put in possession of its share of the proceeds, the Bank is bound to introduce and maintain a new stable currency.

It remains to define further the liabilities of the Central Banks concerned referred to in the column of the table headed "Cover." In the case of Austria, Hungary and Czecho-Slovakia, the ratio applies not only to notes, but also to sight liabilities, less the State debt to the Bank. The French, Belgian, Dutch and Polish ratios apply broadly to notes plus demand obligations. In other cases the ratio applies to notes alone, though in some instances separate provision is made for covering other outside liabilities such as deposits.

In conclusion the reader is reminded that full details, including the charters of the Central Banks concerned, will be found in "Central Banks," by Kisch and Elkin, Macmillan and Co.

THE BRITISH MOTOR INDUSTRY.—II—PRESENT POSITION AND PROSPECTS.

(BY A CORRESPONDENT.)

Private Car Section.—In the home market British private car manufacturers would seem to have a secure and increasing basis of production on an adequate, if not a generous, scale. In the United States experience has shown that "saturation point" is not yet reached, although there is an average of one car per family in that country. In the United Kingdom the proportion of registrations is not yet one car per 15 families, and in spite of the lower level of purchasing power there is no reason to expect that it will be impossible by reducing initial costs and running charges to encroach steadily upon the present non-car-owning classes.

The present proportion of foreign to British car sales here is roughly one to five. As long as import duties are maintained there would not seem any prospect of this proportion increasing substantially. On the other hand it must be recognised that the time is past when any startling increases in annual registrations may be expected. The future will see a battle between sales resistance, due to contracted purchasing power, restricted road space and garage accommodation and sales promotion through more popular prices, road development and improved garage facilities. If the campaign is conducted vigorously and intelligently, a steady increase of new car sales in the region of 20,000 per annum may be anticipated for some years to come.

The most difficult position confronting the car section at home at the present time is the "used-car problem." The existing machinery of the trade divorces the function of manufacture from that of sales very completely. Motor-car dealers, in order to effect new car sales at the present time, have to take in "used cars" in at least 75 per cent. of their transactions. The manufacturers' practice of allowing dealers generous discounts has led to a great deal of veiled price-cutting in these "part-exchange" deals. Open price-cutting is banned by the Motor Trade Association, but the practice cannot be detected when a dealer allows an excessive price for a used car in order to get the order for a new one. The result has been that dealers generally have much of their capital frozen in stocks of used cars bought at excessive prices, and are able to make a correspondingly less efficient sales effort.

Another aspect of the same question is that there is no organisation in existence to deal with excessive "used-car stocks." These stocks vary enormously in age, type and value. Apart from the question of price-cutting, it is inevitable and quite sound that used-car stocks should increase roughly in ratio to the number of cars in use. There should normally be a stock of used cars available suitable to the purse and requirements of possible used-car buyers. At the same time there must always be a large and increasing number of vehicles only suitable for scrapping. The maintenance of such obsolete stocks is harmful both by occupying valuable space and also because it is often precisely these vehicles which are used in price-cutting part-exchange deals.

The gravity of the used car problem is reflected in the following table:—

Year.	Registrations.	Excess of New Car Sales over Increase in Registrations.	Wastage.	Increase or Decrease of Stocks.	Cumulative Total of Stocks.
1922 ..	12,000	....	20,000	— 8,000	15,000
1923 ..	14,000	....	10,000	 4,000	19,000
1924 ..	21,000	....	8,000	 13,000	32,000
1925 ..	32,000	....	12,000	 20,000	52,000
1926 ..	24,000	....	14,000	 10,000	62,000
1927 ..	56,000	....	17,000	 39,000	101,000
*1928..	78,000	....	20,000	 58,000	159,000

* Estimated.

These accumulated stocks are already beginning to affect production, and unless the situation is dealt with must soon exercise a retarding influence on the normal progress of the industry.

In the export field the potentialities are far greater both absolutely and relatively than at home. Of the 27,000 private cars exported last year over 90 per cent. were exported to the British Empire. Our share of non-Empire markets has been steadily declining, and is limited almost entirely to the most expensive types. The possibility of getting a large share of non-Empire markets is, however, somewhat remote owing to the existence of national industries in many of the great car-using countries protected by very high tariffs. But in the aggregate the development of motor use all over the world should lead to a steady expansion under this heading. Within the Empire there is already a vast and rapidly-growing market in which British cars either enjoy a tariff preference or are on a level with other producers. In addition to this the existence of a strong sentimental preference is a very real asset. Excluding Canada as being self-supporting in the matter of her motor-car requirements, it is not extravagant to anticipate that the Empire overseas will be absorbing 250,000 motor-cars a year in the near future.

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To-day the British industry is supplying only 10 per cent. of the Empire demand. The possibilities of a very rapid expansion in this direction are distinct, and export business, as in the case of the motor-cycle industry, might become at least equal in volume to the home trade.

Commercial Vehicle Section.—In a previous article it has already been seen that commercial vehicle production, both for home and export, has made uninterrupted progress. At the present time this industry is working substantially to capacity, and, as far as the immediate outlook is concerned, there are no signs of setback.

As with private cars, the export potentialities of this section are vast. Moreover, the technical supremacy of the British industry in this branch over its competitors cannot for long fail to be recognised overseas, as it has been already in the case of the motor-cycle. In this respect it is better placed than the private car section.

At home the development of the use of commercial motor vehicles for the conveyance both of goods and passengers is assured in the long run by the manifold advantages it possesses over other forms of transport. The excessive taxation of motor transport which has been a feature of recent Budgets may retard its development. But it may be doubted whether in the long run it will be countenanced by public opinion. There are, no doubt, two views also as to the effect of the railways' road powers on road transport if they are granted. In the long run the railway companies will have to decide whether they are going into the road transport business *bona fide* or simply in order to sabotage existing road services in the attempt to drive traffic back to the rails. At present the motives and intentions of the companies themselves are divided. It is reasonable, however, to suppose that with the help of public opinion and their own shareholders they will in the long run come down to the sound principle of developing the transport facilities of the nation on a scientific and co-ordinated basis impartially by road or rail as economic experience dictates. In this case the ultimate growth of road transport will not be adversely affected. In any case, the immediate effect of the granting of these powers will be to increase very largely the demand for the products of the British commercial vehicle industry.

IS THE FINANCIER A PARASITE?

"You perceive the nature of the services for which this fantastic community gave him unmanageable wealth and power and real respect. It was all a monstrous payment for courageous fiction, a gratuity in return for the one reality of human life-illusion. It seems to me at times that all this commercial civilisation is no more than my poor uncle's career writ large, a swelling thinning bubble of assurances."

In these sentences Mr H. G. Wells years ago summarised the career and the achievements of his financier hero, the man who started life as a tradesman in a little country town, invented a patent medicine, capitalised it, recapitalised it, bought (as we recall with interest at this moment) a respectable weekly paper to boom it,

developed Napoleonic habits and surrounded himself with Napoleonic busts, worked one financial miracle after another, and finally—the bubbles all pricked—fled the country in an aeroplane and miserably died, impotent, pathetic, and supremely ineffective. It is a picture of the financier who failed, but to Mr Wells and his fellow-Socialists the difference between failure and success in this particular sphere is almost immaterial, and they would no doubt say that the financier who dies an honoured and respected millionaire is quite as useless, quite as ineffective, quite as harmful as the man who floated Tono-Bungay. The death of a Whittaker Wright or the imprisonment of a Hooley may provide the best opening for their attack, but to them all financiers are equally unproductive and parasitical, and the death last week of the unfortunate Mr Loewenstein (who may prove to have died either rich or poor) has produced the same moralising and the same rhetoric on the uselessness and the wastefulness of the whole tribe. Why cumber they the ground?

Now before we admit that because certain types of financiers are mischievous and parasitic, therefore all financiers are non-productive, we may perhaps stop for a moment to think what a financier really is. He is a man who makes it his profession to find a country or a business in which the capital of the public can be usefully employed, and to persuade the public to invest their capital in it. He is the broker who introduces capital to enterprise. That in the simplest terms is his job. If he does his job ill he causes great misery and suffering. Many financiers have done their work ill. Does it follow that all financiers are non-productive and parasitic?

Let us turn for analogy to another profession, and choose one that has unmistakably conferred great benefit on the human race, and is therefore in the highest sense productive. Let us take surgery. Surgery in its modern form is comparatively young; it is empirical; it is constantly advancing in knowledge, and as we know it it covers so short a period that we can without much difficulty envisage its whole history.

In the history and development of surgery there have been a certain number of mercenary and selfish men whose first concern has been for their own pocket and for the fees that they would after operating extract from the patients if they survived or from their executors if they succumbed. Such men have been mischievous parasites and a danger to any community that was unfortunate enough to be their hunting-ground. But these unscrupulous self-seekers are not the only type of surgeon that spells danger. There is another type—the optimistic type—which has an unlimited confidence in its own operating skill and an enthusiasm for the use of the knife so strong that it cannot resist the temptation to operate or believe that the possibility of failure may outweigh the prospects of success. In the history of surgery there have probably been not a few skilful optimistic practitioners of this kind who have been far

too ready to use the knife, and by their own enthusiasm and confidence have encouraged their patients to undergo operations which ought never to have been attempted. Technical skill and buoyant optimism combined have swallowed their judgment, and the result is disastrous. Lastly, we have the far more numerous class of surgeons who combine skill, judgment, and honesty, and can be relied on to give to their patients the best possible advice.

These same types are all to be found in the ranks of the financiers. There is the unscrupulous rascal who sets his trap for the widow and the orphan and the country parson, and whose only concern is to transfer into his own pocket cash from the pocket of anyone foolish enough to listen to him. He is a disreputable figure, mischievous and parasitic, and a danger to any community unfortunate enough to be his hunting ground. Then there is the optimistic type of financier who, like his counterpart among the surgeons, cannot believe that any scheme of his can go wrong, and is genuinely convinced that the wares he offers to the public are the best possible wares, and the advice he gives the best of all possible advice. He is a dangerous man because, like the optimistic surgeon, he very often combines with his enthusiasm a very considerable technical skill, and has a gift for inspiring the public with a belief in himself only a little weaker than his own. He is a buoyant experimental creature ready to take chances himself and to induce the public to take them with him, and as his schemes begin to go wrong his optimism and confidence may easily lead him to action that ends either in suicide or Wormwood Scrubs. But there is the third and more numerous type which is not dishonest or over optimistic, which brings prudence, experience and a balanced mind to its work, and has for its first concern the protection of the public to whom it appeals for capital. Without men of this kind the joint-stock system would collapse, and the development of new countries and new industries would be impossible. A man who is honestly, skilfully, prudently guiding the flow of capital to those places where it can best be used is productive, and as no one in his senses would deny that the honest, skilful and prudent surgeon is a productive worker simply because other surgeons may be mercenary or rash, so no one can fairly condemn financiers as non-productive because some financiers have too little of honesty and others too much of optimism.

Notes of the Week.

The Byng Debate.—The discussion in the House on Wednesday on the appointment of Lord Byng as Commissioner of Police developed, as it was bound to do, into the ventilation of grievances against the police rather than a criticism of the personal qualifications of Lord Byng. Mr Snowden's assertion that the condition of the Metropolitan Police was worse than at any time since its creation by Sir Robert Peel was a piece of hyperbole which detracted from its effect; but other speakers—and notably Mr O'Connor—formulated a sufficiently disquieting case, which undoubtedly reflects the state of uneasiness in the public mind. Mr O'Connor gave examples of corruption among the Metropolitan Police which, even if not proved, are widely believed to represent the present state of affairs. Moreover, the fact that three Commissions are at the moment investigating the relations between the public and the police is sufficient proof that something is rotten and that the system needs firm handling. This is common ground. The substance of the complaint against Lord Byng's appointment lies not so much in any view of that distinguished general's qualifications as in the belief that the police have of late been adopting towards the public highly autocratic methods which are suggestive of a military rather than of a civilian force. In these circumstances it would clearly have been better to have appointed someone other than a soldier for the difficult task of reforming the system. But we are prepared to accept the Home Secretary's assertion that he has used his best endeavours to find a civilian with the necessary force and prestige for the task, and has failed. In the circumstances, the public would do

well to give Lord Byng every opportunity to carry out his difficult duty. Lord Byng is by no means a typical militarist, but is a man who relies much more on personal inspiration than on the rules and regulations of the parade-ground. We are convinced that his appointment will command much greater confidence than the only practical alternative—namely, the promotion to this post of one of the senior officers who have been trained in the system itself.

Inefficiency and Protection.—It has been obvious for some time past that the Government would be pressed very hard to modify the conditions which industries have to fulfil before they can get a place under the tariff umbrella. The famous White Paper requires an industry to prove, among other things, that imports are abnormal, that the foreign product is made under "unfair" conditions, that there is abnormal unemployment, and that the home industry is efficient. Our new protectionists are dissatisfied that so few industries can make out a case on these conditions, and a group of Conservative members have therefore decided to urge the Prime Minister that the sole condition to be proved should be the existence of unemployment. We can well understand this proposal being put forward by men who have not grasped the elementary facts about Britain's international situation or who hold the attractive but fallacious doctrine that a tariff increases the total amount of employment in a country. But we find it difficult to believe that Sir Robert Horne, who knows as well as any man in the country how imperative it is that we should put ourselves on terms with the most progressive of our competitors, has lent himself to a policy which means that inefficient or backward industries in this country will be given shelter behind which they can continue to stagnate. The chairman of Vickers recently reminded his shareholders that "a system of tariffs is simply another word for subsidising inefficiency." If our ludicrous tariff procedure is so relaxed that industries do not have to make even a pretence of proving that they are efficient and up to date, our safeguarders will no doubt give a temporary ease to certain favoured trades; but it will be by a process of drugging the patient while his strength slowly ebbs away.

The Government and the Kellogg Pact.—Mr Kellogg has now said his say. He has re-submitted the draft of his Pact in a context which takes note of the questions raised by the French and British Governments, and in our opinion he has answered those legitimate and reasonable questions in a satisfactory way. The initiative now lies with the other Governments, and particularly with our own. It is evident that a prompt, warm, and whole-hearted acceptance of Mr Kellogg's Note by the British Government would have a profound effect upon the policy not only of the British self-governing Dominions overseas, but of the countries of Continental Europe. The Dominions, we take it, are inclined to accept without reservations the Pact as it now stands in its full context. Mr Kellogg's insistence upon simplicity is very much in their vein, and Canada, particularly, has the strongest motive of national self-interest for promoting a Pact which would be an important guarantee against the possibility of a clash between the United States and the British Empire. As for the Continent, the indications are that France would not attempt to lead a European movement of obstruction to the Pact unless she could expect countenance and support from at least one other European Great Power. Thus the attitude of our Government is of vital importance, and their delay in replying has begun to arouse a certain amount of public anxiety. The questions put to Sir Austen Chamberlain in the House of Commons this week have been timely; but we cannot say that the rather meagre and grudging statements which these questions drew from him were reassuring. In expressing the opinion that it was more important for His Majesty's Government to be careful, when undertaking new engagements, not to break their old ones than to proceed without reference to the serious nature of the questions involved, he was making a statement which is unimpeachable as a general principle; but in the particular circumstances the obvious interpretation of his words is either that the British Government are ignoring

the explanations tendered in Mr Kellogg's last Note or else that they find themselves in disagreement with them. Again, Sir Austen's reply to the question whether it was not true that the Dominions were prepared to sign the Pact without any reservation was the curt statement that "our consultations with them are by no means complete." It is to be hoped that this does not mean that His Majesty's Government in Great Britain are suggesting to the Dominions reservations which they would not have thought of making spontaneously. In regard to the question whether the British and French Governments were proposing to put reservations on record in a joint protocol, the Foreign Secretary begged to be excused from giving any reply at all, and he was equally non-committal in regard to the date on which the treaty was likely to be signed on the British Government's behalf. These questions and answers in the House of Commons have noticeably accentuated the public anxiety on this matter. We trust that the Government, in their own good time, will show this anxiety to have been unnecessary.

A Critical Moment in China.—There is evidently a strong desire among the Chinese that the occupation of Peking by the Kuomintang armies should be the last act in the civil war. China has not enjoyed internal peace since the outbreak of the revolution in 1911. Indeed, as the revolution has gone on its disturbing influence has penetrated deeper and deeper into the national life, until there are now few portions of the vast territory of the Republic, and few departments of the national life, which have escaped unscathed. This crescendo movement of unrest has evoked, by reaction, a longing for peace and quiet and a conviction that the revolution will have stultified itself if the negative and destructive phase does not give place before long to an era of reconstruction. This was the significance of the ceremony performed on Friday, July 6th, at Peking, when a formal announcement was made to the spirit of Dr Sun-Yat-Sen that the Northern Military Expedition—launched from Canton in the spring of 1926—had been carried to a successful conclusion and had achieved its purpose of securing acceptance for Dr Sun's political gospel of the Three Principles from end to end of the country. The ceremony was in the antique manner, and thus Sun-Yat-Sen finds his place in the pantheon of moral and political sages—historical and legendary—under whose inspiration China has proceeded on her slow, self-centred course for thousands of years. But if the manner of honouring the sage was old, the message for which he is honoured is new, for Sun's gospel is the political and social democracy of the Western world, and the problem before the Chinese people is how to adjust themselves, for the first time in their history, to living in a comity of nations governed by the traditions of a civilisation which has not sprung from Chinese soil. The immediate problem is how to demobilise the unknown number of Chinese who are at present under arms. The estimates range from one million to five, according as they are confined to the more or less disciplined armies of the Kuomintang, the Kuominchun (the followers of the Baptist-Bolshevik Feng Yü-hsiang), and the Ankuochun (the forces of the now defunct coalition of Northern "war lords"), or are extended to include the forces of independent condottieri of brigands out for personal profit rather than political power, and of military self-protection societies such as the Honanese "Red Spears." Politically, the omens are not unfavourable, since at this moment all China south of Peking is united under the control of a group of military leaders who agree in paying allegiance to the Kuomintang, while in Manchuria Chang Tso-lin's son Chang Hsueh-liang seems to be showing a disposition to come to terms with the Kuomintang rather than fight for his father's precarious heritage. The difficulty is really economic. The military leaders cannot induce their men to hand in their arms and disband unless they can assure them of sufficient ways and means to make a start in civilian life in a country where the struggle for subsistence is very severe; and, on the other hand, the Chinese merchants and bankers of Shanghai and other treaty ports, who dispose of such floating capital as China possesses, are naturally and rightly unwilling to

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give the Kuomintang Government a loan unless they first obtain guarantees that it will be used honestly and effectively for demobilisation, which is the ostensible purpose for which it is asked. It is a good sign that the Chinese business community is asserting itself. It is just this sort of control over Governments by civilian public opinion exercising the power of the purse which has inculcated a sense of responsibility into Western Governments in the course of the last few centuries.

Half-Year's Overseas Trade.—The half-year, as a whole, shows a marked improvement on the position during the corresponding period of 1927, with imports over 12 millions less and exports expanded by more than 14 millions. The two tables immediately following give the comparative positions in 1927 and 1928 for the month of June and for the half-year respectively:—

MONTH OF JUNE.			
	1928.	Inc. or Dec. Compared with June, 1927.	
	£	£	%
Imports	99,369,426	+ 24,554	+ 0.2
British exports	59,472,488	+ 3,490,692	+ 6.2
Re-exports	11,471,005	+ 854,678	+ 8.1
Total exports	70,943,493	+ 4,345,370	+ 6.5
Excess of imports over total exports	28,425,933	- 4,320,816	- 13.2

SIX MONTHS ENDING JUNE 30.			
	1928.	Inc. or Dec. Compared with Jan.-June, 1927.	
	£	£	%
Imports	605,239,853	-12,025,655	- 1.9
British exports	355,231,941	+12,890,830	+ 3.8
Re-exports	67,486,183	+ 1,265,812	+ 1.9
Total exports	422,718,124	+14,156,642	+ 3.4
Excess of imports over total exports	182,521,729	-26,182,297	- 12.6

The expansion in exports, as is shown by the following table, occurred principally in the class of manufactured articles. There was a diminution of over 10 per cent. in the exports of raw materials, which was more than accounted for by a decline of over £5 million in exports of coal. Imports of food and drink are slightly higher, in spite of a diminution of £5½ millions in grain and flour, but the increase in this class is more than offset by a reduction in the imports of manufactured articles:—

	First Six Months.	Imports.	Exports.	Re-Exports.
		Miln. £.	Miln. £.	Miln. £.
Food, drink, and tobacco	1927 259.4	23.7	13.6	
	1928 261.5	24.7	13.7	
Raw materials and articles mainly unmanufactured	1927 190.0	40.0	40.3	
	1928 181.0	35.6	41.2	
Articles wholly or mainly manufactured	1927 165.4	271.0	12.3	
	1928 158.8	286.6	12.5	

The comparison below of certain leading exports for the first half-year of 1926 and 1927 respectively shows a satisfactory increase in almost all classes except coal and textiles, but the exports of cotton yarns and cotton piece-goods are a gloomy commentary on the state of affairs in Lancashire. Some classes of woollen manufactures have improved, and an encouraging feature is the increase in exports of iron and steel.

SOME LEADING EXPORTS (Quantities, 000's Omitted.)

	First Six Months of—	1927.	1928.
Coal	tons	26,318	24,578
Pig-iron and ferro-alloys	"	129	220
Railway material	"	271	346
Total of iron & steel manufactures	"	1,947	2,128
Textile machinery	"	57	63
Total machinery	"	242	292
Cotton yarns	lbs	106,759	87,079
Cotton piece goods	sq. yds.	2,075,689	1,932,589
Wool tops	centals	216	189
Woollen tissues	sq. yds.	58,803	66,053
Worsted tissues	"	19,805	16,882
Linen piece goods	"	38,662	37,675
Boots and shoes	doz. prs.	430	540
Leather	cwt.	176	223
Paper and cardboard	"	2,150	2,288
Locomotives	tons	9	25
Motor cars & chassis	number	22	16

Exports of gold and silver have increased over 7 million, while imports have risen only 4 million. Movements of shipping are slightly below those recorded for the same period last year. Fuller tables will be found on a later page.

Count Volpi's Resignation.—Little political significance attaches to the resignation of Count Volpi from his post as Finance Minister to the Italian Government. Count Volpi is a man of many interests, and he has probably come to the conclusion that he has rendered his country its due meed of service, and that it is time for him to look after his own affairs. There is no doubt that his services to Italy have been both many and valuable. The unification of the note issue, the settlement of the war debts, and the stabilisation of the lira are all fruits of his term of office. We in England may feel that over the Italian debt to this country he possibly drove a rather hard bargain, but at least the settlement brought us in immediate cash, and after all it was his place to get the best terms he could for his country. Furthermore, the settlement of the question was in itself well worth some sacrifice on our part. As events have shown, the stabilisation of the lira was the culminating point in his career as Finance Minister. Possibly he and his colleagues could have stabilised at an earlier date, and possibly they forced the lira a little too high before they took the decisive step. Still, right or wrong, they performed a fine piece of work for Italy, and Count Volpi is entitled to his full share of the credit.

Labour and the Industrial Conference.—A Labour correspondent writes:—Both Parliamentary Labour and the trade union leaders recognise that the recommendations of the Mond-Turner conference may have far-reaching influence on the political and industrial programme of the movement. The Cook-Maxton attack is regarded as merely hysterical and likely to appeal only so far to the Communists and in part to the Minority Movement. The orthodox trade unionists note that (a) there are probably 16 million to 20 million workpeople in industry at the moment; (b) only 5 million are definitely organised; (c) recent recruiting campaigns have been unproductive; and (d) trade union influence and power are generally at a low ebb. Domestic appeals for greatly increased strength having failed, the leaders are now turning to what they describe privately as an external contribution—that is, a programme with large and representative employers making for recognition of the unions, prevention of victimisation, and regular conferences regarding the facts of individual industries and of industry in general. If, arising from these conferences, definite proposals were made to the trade unions on such lines, it is thought that the result might be substantially the experience of the war period, when British trade union strength rose to approximately 8½ millions, partly because of the large number of new workpeople, but mainly because of the desire to participate in awards negotiated with the Government and others in innumerable negotiations. In short, trade union revival is frankly expected along the lines now under discussion. On the political side Labour is, of course, committed to Socialism in the sense of public ownership of great national service. But if by any chance the Mond-Turner Conference later recommended any plan for effective participation of the workpeople in

the management of industry, a place in ownership on business-like lines, and the protection of the public along the lines of regulations applied to public utilities, it is known that even now many of the Parliamentary Labour leaders would be more than grateful. They have quite abandoned the notion of State Socialism. Most of them are advocates of some form of public corporation, the scheme for the wireless and cable merger possessing features which strongly appeal to them, whatever their criticism of detail may be. The new Labour programme does not convey more than a hint of this change of attitude. It is for the time being more likely to derive strength from the recommendations of the Mond-Turner Conference when it comes to grips with precise proposals designed to bring the workpeople into responsibility in ownership and management in industry if, as is hoped in many quarters, these problems in due course come within its scope.

Cotton Trade Affairs.—On Tuesday last the General Committee of the Master Cotton Spinners' Federation decided at a meeting in Manchester to abandon the proposed scheme of half-time working in the mills. This movement began nearly a month ago, when it was decided to take a ballot of the members using American cotton on the question of curtailing production to the extent of 50 per cent. It was resolved that the scheme should not be put into operation without the consent in writing of the owners of 90 per cent. of the spindles concerned. On previous occasions the necessary percentage of votes has been 80. The ballot resulted as follows:—In favour, 79.48 per cent., against, 12.26 per cent.; there being no replies from 8.26 per cent. In the circumstances the committee decided to take no further action. It may be said that average production in the mills using American cotton is now about 70 per cent. of full capacity. A special sub-committee has been appointed to make a searching investigation into the present financial position of the cotton-spinning industry with a view ultimately to establishing it on a sounder basis. In an official statement issued at the beginning of the week the federation say that this step is considered to be necessary before there can be any real rehabilitation of trade. A questionnaire has been sent out to all members of the Spinners' Federation asking for certain information. Spinners are asked to give the number of spindles and looms in the mill at the date of the reconstruction and at the present date; the amount of bank overdraft at the date of the statutory meeting and the amount of bank overdraft at present; the existing amount of borrowed money and the average rates of interest on bank overdraft; loans, money borrowed from other sources, and debentures; the total amount of interest-bearing money immediately before the war and at present; the total amount debited by bankers by way of interest and commission since the reconstruction of the company; the total amount of depreciation written off since the reconstruction of the company and the amount of nominal share capital; the amount paid up at the date of the statutory meeting, the amount per share called up since that date, the amount realised by such calls, the balance of calls at present unpaid, and the amount per share still uncalled. The replies to this questionnaire are to be returned not later than July 24th.

The Labour Party's Programme.—Once upon a time a Conservative statesman produced his party's programme on a half sheet of notepaper. The Liberal Party this year devoted a huge volume to the industrial section of its proposals. Now we have the Labour Party, aiming doubtless at the happy medium, producing its programme in a brochure of 46 pages. The document presumably forms the official platform on which the Labour Party will fight the general election next year, and therefore deserves the attention of the country. Up to page 12 the brochure needs no comment. It consists of common-form denunciation of the Government for betraying everything and everybody (except the rich), and pauses for a moment—as it were in parenthesis—to recall that the Liberals are really just as bad. It only becomes interesting about page 13, when it enunciates some mainly unimpeachable objectives and proceeds to show how in the pursuit of

these ideals the Labour Party can make Britain a happier place for everyone except the idle rich. In the Labour methods for achieving this end there is nothing new. So far as constructive thought runs through the description of these methods, it is rather of the type of the Liberal Industrial Report (which the document condemns for its "timidity"), with a spice of more full-blooded socialisation thrown in. The country, its industries and its resources must be administered in the interests of the people; the proceeds of industry must be better distributed; the rating system must be reformed; taxation must be more equitably adjusted; and so on. Liberal and Labour so far can stand on the same platform. It is only when we come to methods of application of principle, and in the degree of restriction to be imposed on private enterprise, that the chasm begins to yawn between the two. Yet is this chasm very real? Labour advocates "nationalisation" of the mines, for instance; the Liberal Report administration of the royalties by coal commissioners. Labour would socialise our basic industries; but the exact machinery of socialisation is not explained in detail. Of the land, communications, transport and other "fundamental necessities," the Labour programme says:—"Without haste, but without rest, with careful preparation, with the use of the best technical knowledge and managerial skill, and with due compensation to the persons affected, the Labour Party will vest their ownership in the nation and their administration in authorities acting on the nation's behalf." Of the programme as a whole, it may fairly be said that it marks a quite definite stage in the evolution of Labour policy away from revolutionary or spoliatory Socialism towards more practical methods of social and industrial reform. Some ragged ends of the older style are left, but they are few, and it is very easy to understand that people of the mentality of Mr Maxton and his followers, with their hurry and scurry of "Socialism in our time," find the whole programme unsatisfying. Indeed, the Maxton-Cook revolt is a natural result of the definite abandonment by official Labour policy of the dreams of the revolutionary.

The Cable-Wireless "Merger" and its Practical Problems.—Though the full details of the Cable-Wireless "Merger" are not likely to be elicited until the debate in the House of Commons, it is possible to consider some of the practical problems which will arise. The public mind has naturally been impressed by the amount of the capital involved, but the actual working of the vast organism will present problems of telegraph practice which will be watched with keen interest. The Eastern Telegraph Company has developed multiple routes for the connection of the distant colonies with the home country, and the use of these varied routes will be complicated by the addition of the Pacific Cable routes and the "Beam" wireless routes. The Pacific Cable routes run from Vancouver across the Pacific to Australia and New Zealand via Fiji and Norfolk Island, and they have attracted the admiration of telegraph men by reason of the fact that they have worked with singularly little interruption. The second cable, the longest in the world, is of the latest "loaded" type. There the connection is by means of two land-lines across Canada to Halifax, Nova Scotia, where the two Government-owned cables land. There will also be the "Beam" wireless to Montreal from London and the Canadian-Australian "Beam" wireless. The Eastern Company has its varied routes, in addition, passing down both coasts of Africa and crossing to Australia both by the Seychelles and the East Indies, with specially-developed "through" working of a high order. Then there are the "Beam" routes from Great Britain to Australia, with possible alternatives via South Africa and via India. Thus it will be a problem of unusual difficulty for one organisation, having to protect many interests, to provide a suitable balance of tariffs and of quality of service. As regards Canada, there will be direct rivalry with the two American companies, and we may look for a contest in rates not unlike that which has brought about the "Merger." As regards India, there will also be rivalry, for the Indo-European Company does not seem to be included in the "Merger," and it is difficult to see how its specially close relationship

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with the Eastern Company can continue. The Indo-European Company has a specially interesting Trans-Continental system of high efficiency, and has long been noted for its direct transmission from point to point over long distances, London to Teheran being a historic instance. The "Merger" does not seem to be a complete Imperial "Merger" by any means, and probably it is safe to say that when it comes to practical working it will have to be adapted to further Imperial needs. It may find itself, as already the Atlantic cables have found themselves, in rivalry with a long-distance telephone system, to which finance and industry are adjusting themselves more rapidly than the world believes.

Shipping Freight Index Number.—After three months of comparative stability, our index number of whole-cargo shipping freights declined last month by 2.67 per cent.—a downward movement which is in accordance with the usual seasonal trend at the time of year. The June figure, 106.21, compares with 123.95 a year ago, and 106.73 in June, 1925. The movements of the various groups in the index are summarised as under:—

Date.	European Waters.	North America.	South America.	India.	Far East and Pacific.	Australia.	Total.
Basis (Average, 1898-1913).....	100	100	100	100	100	100	100
Average, 1913.....	110.03	113.09	123.37	106.29	117.38	127.89	116.34
February, 1920.....	814.31	529.89	757.52	744.81	587.02	712.16	690.95
December, 1920.....	268.90	277.17	244.10	255.79	286.72	347.18	280.14
December, 1921.....	160.06	164.07	163.72	144.43	141.25	166.47	156.67
December, 1922.....	137.09	135.15	129.19	123.61	136.08	159.34	136.57
December, 1923.....	134.03	132.72	120.09	124.35	125.07	144.21	130.08
December, 1924.....	117.44	129.18	119.45	119.76	129.29	161.13	129.38
December, 1925.....	116.98	121.57	117.03	110.05	110.10	154.90	121.77
December, 1926.....	139.71	156.10	145.93	132.85	129.22	179.82	147.27
December, 1927.....	105.57	116.16	113.58	114.10	124.93	139.76	119.03
January, 1928.....	106.69	106.94	111.36	113.62	121.43	127.30	114.56
February, 1928.....	105.55	106.40	105.16	112.36	114.05	113.95	109.74
March, 1928.....	101.67	104.77	102.81	106.68	115.12	119.29	108.39
April, 1928.....	101.57	103.68	105.61	105.85	116.18	126.41	110.05
May, 1928.....	101.47	100.70	105.95	110.05	111.94	124.63	109.12
June, 1928.....	93.58	100.43	100.77	103.95	108.78	123.74	106.21

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

	Index No.	Inc. or Dec. Points.		Index No.	Inc. or Dec. Points.
Home trade.....	80.72	+ 3.22	S. America—outwards.....	76.76	- 0.83
Day—outwards.....	168.16	+ 1.81	India—outwards.....	124.78	- 9.53
" homewards.....	113.35	- 1.61	India—homewards.....	93.55	- 8.42
Mediterranean—outwards.....	110.71	- 3.60	Far East, &c.—outwards.....	168.28	- 3.75
" homewards.....	97.75	- 2.39	Far East, &c.—homewards.....	163.18	- 3.16
North America.....	100.43	- 0.27	Australia.....	123.74	- 0.69

In spite of a steady demand for grain space on the part of Argentine shippers, and more active inquiry for tonnage to load at Montreal during the next two months, pressure of unfixed tonnage resulted in a general weaken-

ing of the whole market. Outward coal freights were dull, and business in the East quiet. In European waters there was a growing excess of unemployed vessels. The relation of the index to the average for 1913 is shown in the following table, the year 1926, in whose case our index number was distorted by the absence of British coal exports, being omitted as unrepresentative of the true trend of freights:—

Month.	1924.	1925.	1927.	1928.
January	117.11 ..	114.49 ..	118.59 ..	98.47
February	123.78 ..	115.96 ..	120.54 ..	94.33
March	122.09 ..	106.63 ..	118.58 ..	93.17
April	117.22 ..	104.24 ..	111.06 ..	94.59
May	114.27 ..	98.23 ..	111.41 ..	93.79
June	108.62 ..	91.74 ..	106.54 ..	91.29
July	103.75 ..	94.90 ..	101.61 ..	..
August	104.43 ..	95.87 ..	105.51 ..	..
September	110.50 ..	98.19 ..	107.51 ..	..
October	115.55 ..	99.49 ..	105.78 ..	..
November	112.76 ..	102.23 ..	106.27 ..	..
December	111.21 ..	104.67 ..	102.31 ..	..
Mean for year	113.44 ..	102.22 ..	109.64 ..	..

It will be observed that for the first half of 1928 the average level of "tramp" freights, as measured by our index number, works out at approximately 94 per cent. of the annual average for 1913. When all allowance is made for recent reductions in the cost of bunker coal, the disparity between this level and that of other prices and charges is noteworthy.

Anthracite Coal Fusion.—One of the most important financial deals ever carried through in the South Wales coal trade has recently been negotiated by Lord Melchett on behalf of the Amalgamated Anthracite Collieries, Limited. This week the terms were announced on which all the properties of the Gwaun-cae-Gurwen Colliery Company, Limited, and the Vale of Neath Colliery Company, Limited, have been acquired. These show that for the collieries of the Gwaun-cae-Gurwen Company the purchase price is £900,000, divided into £300,000 in cash, £200,000 in second debentures, and £400,000 in ordinary shares; and that for the more extensive properties of the Vale of Neath Company the purchase price is £3,400,000, divided into £1,000,000 in cash, £800,000 in second debentures, and £1,600,000 in ordinary shares. All these are anthracite collieries, and the effect of their acquisition will be to increase the output immediately under the control of the Amalgamated Anthracite Collieries, Limited, to approximately between 3½ and 4 million tons, with possibilities of a rapid increase in the immediate future. The pits acquired are amongst the best equipped in the South Wales anthracite area, and they are situated in the largest unworked section of that part of the coalfield. It is proposed to finance the deals by increasing the present share capital of £5 millions to £10,500,000 by the issue of £2,000,000 in ordinary shares, £2,000,000 in 6 per cent. 1st debentures, and £1,500,000 in 7 per cent. 2nd debentures. The main purpose aimed at by Lord Melchett in the acquisition of these new properties is to centralise the sale and to regulate the prices of anthracite, but that so far Lord Melchett has been unable to persuade the two or three other principal groups of collieries in the district to join his scheme.

British Crop Prospects.—The monthly report of the Ministry of Agriculture and Fisheries states that, apart from the backwardness of crops generally, the condition of corn crops at the end of June was on the whole fairly satisfactory. Wheat was reported to be fully, the condition most districts, though the yield is expected to be slightly below average. In some of the chief barley-growing areas an average crop is expected, but the total crop to be slightly very slightly under average. The condition of growing areas rather more varied, but the yield is expected to be about average by about 3 per cent. Beans were reported to be healthy and promise about an average crop. Peas, although generally backward, are expected to produce a yield slightly over average. The crop of early potatoes appeared to be about average, but the main crop was somewhat backward. With favourable weather conditions it is probable any further improvement will be considerable. The weather conditions, and the conservative estimate of the

the yield will be a good one, slightly above average. Root crops as a whole have germinated well, and although growth has been slow the condition of the crops is good. Sugar beet was reported to be coming on well. Weather conditions during the month were not favourable to hops, and growth of the bine has been retarded. It is estimated that the yield of hops will be appreciably lower than average. Hay-making was started during the month. Some seeds hay was secured in good condition, but harvesting was hampered in some districts by unsuitable conditions. The average yield per acre of seeds hay is forecasted at 26½ cwts, or 1½ cwt per acre below average, while meadow hay is expected to yield 18½ cwts or 2½ cwts per acre below average. Except in a few districts pastures were still unsatisfactory, the benefit of the rain having been minimised by the frequent low temperatures which have retarded the growth of grass. Livestock on the whole have shown some improvement. Milk yields generally are up to average for the time of the year.

American Cotton Crop.—On Monday last the Department of Agriculture of the United States Government published its first official report on the cotton crop for 1928-9, the statement being confined to an estimate of the area under cultivation on July 1st. The forecast, at 46,695,000 acres, was much larger than expected, and showed an increase of 11.4 per cent. on the revised acreage for the previous season, and an increase of 9.4 per cent. on the estimate of twelve months ago. Many private firms in the United States anticipated that the increase would not be more than 5 to 6 per cent., and the official Government report had a vital effect upon the New York and Liverpool markets, there being considerable liquidation of contracts by operators who were "long." A decline of nearly ½d per pound was registered, but since then there has been a slight reaction. From the point of view of weather in the belt the crop so far this season has not been favoured, and excessive rains, especially in the Central and Eastern States, have checked the growth. It is too early for reliable forecasts to be published as to the probable yield, but it may be mentioned that on the basis of the estimated acreage, given an output of 150 lb per acre, the crop should be 14,000,000 bales. The climatic conditions in the belt during the next couple of months will be very important, and whilst it is possible for an enormous crop to be produced on such a big acreage, unless the weather is ideal during the next few weeks the output may be very disappointing. As is usual at this time of the year, much uncertainty exists as to the future level of values, and most traders are inclined to adopt a policy of caution until the outlook is clearer.

Jute Crop Estimate.—The official estimate for the 1928 jute acreage, which has been received in London this week from the Director-General of Commercial Intelligence, Calcutta, shows the following plantings, so far as they can be ascertained to date. Below, the figures of this year are given in a comparative table, which also shows the provisional and revised estimates for the past three years:—

JUTE AREA PROVINCIAL ESTIMATES. (In Thousands of Acres).				
	1925.	1926.	1927.	1928.
Bengal (including Cooch Bihar)....	2,537 ..	3,157 ..	2,963 ..	2,711
Bihar and Orissa	258 ..	280 ..	241 ..	247
Assam	119 ..	168 ..	178 ..	208
Totals	2,914 ..	3,605 ..	3,382 ..	3,166
(Revised estimates, available in September of each year)				
	3,115 ..	3,846 ..	3,374 ..	..

The figures are interesting in showing an increase in production in Bihar and Orissa and in Assam, where the increase amounts to nearly 25 per cent. of the 1927 acreage. As will also be seen from the comparative table, the revised estimate for last year, for perhaps the first time, proved to be less than the provisional estimate, which has in previous years always erred on the side of caution. Should the forecast for 1928 be as accurate as that for 1927, the total yield would, under normal conditions, be in the neighbourhood of 11 million bales. So much is, however, not expected, owing to unfavourable weather conditions, and the conservative estimate of the

City looks for a yield of roughly 10 million bales. The general demand for jute fabrics shows no slackening, and there would appear to be nothing in the estimate for this year to justify any weakening in prices, since large supplies of hessians have recently been shipped to the River Plate, and Dundee mills are exceedingly busy. Last year's crop was of fair average quality. The price of raw jute still continues to advance, first marks for November shipment being quoted this week at £39 10s, and the jute trade, generally, would appear to be in a more stable position than for several years past.

United States New Capital Issues.—Through the courtesy of the *Journal of Commerce* of New York, we are able to supplement our recently published statistics of British capital issues during the preceding half-year with a comparative table for the United States.

	1925.	1926.	1927.	1928.
Foreign—				
Government ..	\$ 319,861,000	\$ 311,052,000	\$ 382,997,100	\$ 590,117,000
Corporate ..	254,695,000	313,694,040	143,589,375	573,973,482
Domestic				
Municipal ..	751,838,574	711,320,145	1,090,109,067	564,438,935
Railroad	293,327,200	209,005,000	537,654,000	511,351,510
Public utility ..	870,048,300	1,014,437,500	1,142,852,300	1,435,790,941
Industrial ..	543,658,500	604,074,800	1,095,132,445	1,202,770,396
Others	276,191,500	345,472,700	675,081,814	802,116,638
Total	3,309,620,074	3,509,056,185	5,067,416,101	5,680,558,902

While the aggregate figures once more show an increase upon the total for the first six months of the preceding year, perhaps the most striking feature is the large increase in the sum lent abroad. This portion of the 1928 statistics goes some way to explain the recent drain of gold from the United States, while the general increase in capital issues and also gold losses are in turn two of the factors accounting for the upward trend of money rates during the past six months. Foreign borrowings during the current half-year should also be of considerable interest. Already it is stated that the high level of money rates is driving some acceptance and similar business from New York back to London and other European centres, and it is quite possible that foreign loans may be similarly diverted. It is conceivable that responsible financial opinion in New York would not be over-sorry if such a development occurred, and next January's statistics should afford some indication as to how far such a tentative expectation may be realised.

Oversea Correspondence.

UNITED STATES. — THE HIGH CALL RATE — BANKS AND WALL STREET — CORPORATION LOANS — MONETARY OUTLOOK — BUSINESS CONDITIONS — THE PRESIDENTIAL ELECTION.

(FROM OUR CORRESPONDENT.)

NEW YORK, July 3.
WALL STREET has been considerably surprised during the past week, partly by the firmness of securities in the face of dear call money and partly by the appearance of a 10 per cent. call rate. The latter rate seems much too high on the basis of a 4½ per cent. rediscount rate; its occurrence, together with the quick fall back to 5 per cent., throws a peculiar light on the oft-repeated assertions that the Federal Reserve system has made sharp fluctuations in money rates a thing of the past. Altogether it may be concluded that the 10 per cent. rate, which only lasted for part of a day, was an anomaly, and was due to the transient coincidence of several unusual factors. The background for dear money has, of course, existed for some time in the large borrowing for stock market purposes, in the heavy debt of the member banks to the Federal Reserve system, and in the restrictive policy being followed by the latter. The immediate precipitating causes of the 10 per cent. money flurry were window dressing by the banks in anticipation of a controller's call, the very heavy July 1st interest and dividend disbursements, Dominion Day in Canada, and the heavy demands for currency that are occasioned by our own July 4th holiday. The demand for additional currency

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(which must be obtained from the Federal Reserve banks) came at a time when member banks already were heavily in debt to the Reserve banks (to the extent of about one billion dollars) at a time when they wished to show small borrowings, and when corporate funds were being withdrawn from the call market in order to meet interest and dividend payments. There was thus heavy calling of loans, and the rate jumped. The member banks might have gone to the Reserve banks for more money, but their inclination had been to reduce rather than to increase their borrowing in that direction. Again, the Reserve bank might have put the extra money temporarily into the market by buying Government securities, but this it did not seem to care to do, preferring to maintain its restrictive policy. Possibly the official attitude might have been different had it not been for the resumption of professional activity for the rise that was a noticeable feature of the share market during the previous week. Brokers' loans had been reduced by approximately \$400,000,000 in three weeks, but the bull operators apparently were not content to wait for a further reduction. Their fresh operations probably were displeasing to the Reserve authorities.

The incident has served to call attention afresh to the large part now played in the money market by corporations and institutions having large amounts of cash. During the last year or so these cash resources have grown to very large proportions, and their owners, instead of leaving the money on deposit with their bank, have directed the banks to place the money out on call for their accounts. Thus on June 27th the reporting member banks in New York City were lending \$1,729,000,000 on stocks and bonds for the account of "others" (which include the corporation loans) as against \$842,000,000 a year ago. In the same period the loans for the account of out-of-town banks had grown from \$1,143,000,000 to \$1,488,000,000, while the loans made by the local banks for their own account had diminished from \$1,131,000,000 to \$941,000,000. Many bankers resent this tendency of corporations to put their funds out on call, but are able to do nothing about it, as not all the banks can be brought into line to curb the practice. Meanwhile, it has become apparent that corporations are gradually taking to themselves more banking functions, and are employing financial vice-presidents who are recruited from the banks and who are thoroughly familiar with banking practices.

As to the future course of money rates, the feeling is that much will depend on the action of the share market. If further liquidation were to be secured in the next few weeks the foundation probably would be laid for somewhat easier money, although the autumn demands are always a firming factor. On the other hand, if the share market resumed its activity and upward course (and bull operators hardly seem discouraged) continuance of firmness appears certain. One view of the situation that has attracted considerable attention is that given by a leading Chicago banker and a director of the Chicago Reserve bank. This banker stated that he would favour an upward revision of the Chicago rediscount rate if brokerage loans should begin to increase again.*

Meanwhile, it is apparent that general business has been holding up well. The summer slackening in the steel industry is proving less than customary, and automobile

*The Chicago rediscount rate was raised from 4½ to 5 per cent. on July 10.

sales are still in good volume. Building construction also has exceeded expectations again. While orders held by the steel companies are still diminishing, and while steel prices show no rallying tendency, the volume of shipments and specifications on contracts indicates large-scale consumption.

With the Presidential candidates of both the major parties chosen, political activity has quieted down until the campaigns can be organised. The platforms differ little, but Mr Smith has clarified his position on the liquor question by declaring that while in favour of enforcement, he also is an advocate of a change in the existing law. Thus he has come out squarely as a "wet" candidate. The consensus of opinion in the financial district is, at this early date, that Hoover will win; but it is pointed out that Smith has a chance. This chance consists in carrying the "solid South" and enough of the "wet" Eastern States or enough of the Liberal or Radical Western States to give him a majority of the electoral college.

FRANCE.—STABILISATION EFFECTS—HOUSING—BUDGET—PRODUCTION—PRICES.

(FROM OUR CORRESPONDENT.)

PARIS, July 11.

STABILISATION has given a distinct stimulus to the nation as a whole, and there are many signs, now that the franc has been freed from peril, of a pending widespread revival of economic and industrial activity. Confidence in the present Government is much more general throughout the country than the initial sittings of the new Chamber would suggest. A striking sign of this was the success of the recent 5 per cent. loan of 1,700,000,000f (£13,630,000) for postal and telephone development. Issued at 472f per 500-franc bond, the whole amount was oversubscribed within 48 hours, and the lists were hastily closed.

M. Loucheur has secured his first success as Minister for Labour and Housing by forcing through in record time an important scheme, which he may be relied upon to bring into operation with equal celerity. The measure involves an expenditure of 11,250,000,000f, spread over five years, to provide 200,000 working-class homes (at the rate of 40,000 a year, both in the Paris area and elsewhere) and 60,000 middle-class dwellings. The State will furnish a subsidy of 150,000,000f a year (instead of the 48,200,000f provided by the present Budget); 1,000,000,000f will be advanced this year (and 500,000,000f in following years) by the Caisse des Dépôts et Consignations, 100,000,000f by house-purchasing societies, and 450,000,000f by departments, communes and building societies. The money so lent will bear interest at 2 per cent. (instead of 4 per cent. as at present). The cost of construction of a working-class dwelling for man, wife and four children has been fixed at 35,000f, towards which the State will contribute 7,500f as subsidy, leaving the balance, plus 3,300f for insurance, to be found from other sources. The purchaser will become the owner of the house (which under French law will be inalienable) from its completion, and will discharge the entire cost (including interest) by 25 annual payments, equivalent to a rental of 1,360f a year. The scheme will be administered by a specially-created National Housing Society, and it is intended to make "a large use" of German payments in kind to furnish much of the material required. When it is recalled that over 75 per cent. of the tenancies in Paris before the war were held on rentals of 500f per annum or less (free of all direct taxation), it is obvious the proposed rentals of 1,360f for the new houses is not excessive. M. Loucheur states that the first houses will be ready early in 1929.

The announcement that the revenue for the first half of the year has already shown a surplus of 1,065,000,000f was, as usual, taken advantage of by Government departments and deputies to press claims for a share of it for various purposes. Practically one-half the total was immediately absorbed by the voting of 500,000,000f in aid of the agricultural banking system, and most of the rest went, as to 200,000,000f to compensate for "bad debts" in connection with direct taxation levied for 1928, 50,000,000f for the benefit of defective building estates organised by land speculators, 59,000,000f to provide the

1 per cent. interest to be paid on the derelict "Russian" Treasury Bonds handed over to the Caisse d'Amortissement under the stabilisation plan, 10,000,000f for the celebrations of the centenary of the conquest of Algeria, 120,000,000f for (retroactive) increased pay to the minor categories of State servants, and a probable 80,000,000f for electrification in rural districts. The 1929 Budget, which will absorb M. Poincaré and his staff during the recess, will prove, as he has stated, more than usually difficult to settle. Substantial modifications are urgently necessary in many of the taxes that now unduly burden productive industry, and new sources of revenue to compensate for these reductions will be difficult to find. In any case, the total of the 1929 Budget is expected substantially to exceed that for the present year, which justifies the belief that any substantial relief for industrials and investors is problematical.

Coal production figures for May reveal a total output of 4,248,332 tons for 25 working days, against 4,134,803 tons for 25 days in April and 4,566,428 tons (27 days) in March. The daily average yield during May was 169,933 tons, with a labour force of 302,089, against an average for the first four months of the year of 170,263 tons (with an average labour strength of 316,130); in other words, 330 tons a day less, with reduced labour equivalent to over 14,000 units. This result is due to the constant further development in the modern plant with which the northern collieries were equipped after the war. This coalfield, with an average daily output of over 107,000 tons, is now producing 15,793 tons per day more than in 1913, while the fields in the Midlands and South, which have not undergone re-equipment on a complete scale, have been able to increase their output to 45,000 tons a day only, or less than 150 tons a day more than in 1913. The coke plants attached to the collieries within the pre-war frontiers produced in May 367,725 tons of metallurgical coke, or over 120,000 tons more than the monthly average in 1913.

Steel and iron production returns for May show important increases as compared with the same month in 1927 and 1926, although in neither case has the record level of March been reached. The total output of iron was 871,000 tons, as against 834,000 tons in April, 857,000 tons in March, 809,000 tons in January, and as compared with monthly averages of 774,000 tons in 1927, 786,000 tons in 1926, and 749,000 tons in 1913 (the latter figure including the Alsace and Lorraine output). The steel figures show much greater progress since the war. The total output in May was 794,000 tons, as against 736,000 tons in April, 806,000 tons in March, and monthly averages of 689,000 tons in 1927, 703,000 tons in 1926, and 559,000 tons (Alsace-Lorraine plants included) in 1913. Orders, as usual at this season, are apparently being held back by foreign buyers, but prices remain firm, the Steel Cartel not having increased the production quantum. French producers have orders in hand for several months ahead, including (it is said) 40,000 to 50,000 tons of rails for the I.R.M.A., thanks to the present feebleness of German competition, owing to lower French production cost.

British efforts to recover the supremacy in Continental coal markets that were lost as the consequence of the coal strike in 1926 are admittedly proving largely successful, so far as the French market is concerned. Although alleging that British colliery owners are tenaciously pursuing a policy of sacrificing all their profit in order to recover lost markets, *La Journée Industrielle* asserts that the whole French coastal zone from Dunkirk to Bayonne is now under British domination, the majority of our quotations being from 15 to 20 francs lower than corresponding French prices. Germany, it is further stated, has already been obliged to capitulate to British attacks.

It is asserted here that an international coal cartel is in course of organisation, the object being to distribute the various European markets between the different coal exporting countries, in order to prevent too severe competition in the Central European markets, where the Germans are being seriously threatened by British and Czechoslovak rivals. The three countries in question are apparently the only ones at present interested in the proposed "working arrangement," which it is stated Poland will be invited to join, after the conclusion of her pending commercial treaty with Germany. So far agreement has been arrived at only in regard to foundry coke.

The index figure for wholesale prices at the end of June is returned by the Statistique Générale as seven points lower than in May, but still two points higher than the April index. The detailed figures (based on 100 as representing pre-war prices) are as follows:—

Articles.	— End of Month of —			
	June.	May.	April.	
General index figure	45	639	646	637
French products	29	625	631	617
Imported products	16	666	673	673
Foodstuffs (general figure)	20	602	610	588
Vegetable foods	8	640	670	626
Meats	8	527	515	515
Sugar, coffee, cacao	4	692	692	669
Raw materials (general figure) ..	25	672	677	680
Minerals and metals	7	584	593	589
Textiles	6	770	764	775
Various	12	666	677	678

The figure for June approximates very closely to that of 636 returned for June, 1927, and is 215 points below the maximum figure of 854 returned for July, 1926. It will be noted that the difference between French and imported prices has now been reduced to 41 points, as compared with 42 in May and 56 in April, and is now appreciably the same as before the war. Whether this will become more or less stable remains to be seen. No clue, at any rate, can be gained from the tendency of so-called retail prices in Paris, for the index figure for these covers much more limited ground and concerns retail selling prices of merely 13 elementary commodities (bread, meat, bacon, butter, eggs, milk, cheese, potatoes, beans, sugar, oil, petroleum, and methylated spirit). These commodities, which touched their highest figure (628) in November, 1926, dropped to 500 in November last, but have since steadily risen, and are returned for June at 557 (as against 546 in May, 532 in April, and 522 in February). The Paris retail prices now stand at exactly the same level as in July, 1927. The Belgian retail figure for June is returned as 811, as against 805 for May, while the Italian figure for May (at Milan) is 513, as against 516 at the end of April.

GERMANY.—SOCIAL POLICY PLANS—CREDIT—CAPITAL NEEDS—EMPLOYMENT—COAL AND IRON—CROPS—INDUSTRIAL PROFITS.

(FROM OUR CORRESPONDENT.)

BERLIN, July 10.

The prospects of the new Cabinet remain doubtful. A certain threat seems to lie in the determination of the Social-Democratic Party to push the development of Social Politics further than the representatives of industry in the Cabinet will stand. The Chancellor's declaration to the Reichstag that the great problem of Social Politics is to simplify Labour Insurance and to make it work more economically was taken in most quarters to mean that expansion in this domain had for the moment ceased. The Chancellor, however, has committed himself to other Labour measures, and his adherents, the Socialists, have submitted to the Reichstag several motions demanding Labour legislation of a drastic kind. The industrialists will oppose any legislation which would increase the total cost of Social Policy. They complain that the pace at which Social Insurance funds were accumulated after the currency stabilisation was much too rapid. As compared with pre-war years, the annual contributions have increased more than can be accounted for by the fall in the value of money, though here the inclusion of new classes in the sphere of social measures must be allowed for.

The money market has been under the influence of the quarterly tax liabilities, the holiday needs, and the repayment of the Reichsbank's exceptionally heavy advances of the last week of June. Rates remained relatively high last week. Yesterday there was a sharp drop in the demand, and to-day a rather greater demand, without, however, any new rise in rates. Day loans cost $6\frac{1}{2}$ - $7\frac{1}{2}$ per cent., month loans $7\frac{1}{2}$ - $8\frac{1}{2}$ per cent., and the private discount $6\frac{1}{2}$ for long terms and $6\frac{3}{4}$ for short. The Reichsbank's return for the last week of June shows a very great expansion of credit and circulation, but the status may be considered normal in view of the fact that the week was the last of

a quarter and that the earlier weeks of June showed a big contraction. Discounts rose by 616 million marks, advances by 111 millions, and circulation by 767½ millions; but the total of loans remained 619 million marks lower than at the end of last year. The circulation of all currencies on June 30th was 6,320 million marks, the highest figure so far reached. The movement in the past twelve months has been:—

	(Millions of Marks.)			
	Gold.	Ex-change.	Dis-counts.	Circulation.
June 6, 1927	1,803	67	2,495	148
June 6, 1928	2,084	250	2,477	138

While the Reichsbank's discount portfolio has declined since the end of last year, when it was 3,129 million marks, the circulation of bills of exchange (up to the end of May) had risen. The value of new bills drawn in the last recorded months largely exceeds that of the corresponding months of 1927. The movement of American funds out of Germany (at, however, a moderate pace) seems to have continued until the last few days, but it is believed to have been compensated for by an inflow of dollars from France. The short-term debt to abroad is stated to have declined considerably in June. The high volume of long-term borrowing from abroad in the first half of this year is taken as a text for proclaiming that there will be practically no end to Germany's need to import capital. The half-yearly report of the Governmentally-owned Federal Credit Bank declares that "accelerated expansion" will be a necessary result of internal economic conditions and of Reparations, and expresses the fear that the production apparatus may be hampered by shortage of capital.

The wholesale price index number for July 4th is 141.4, as against 141.0 on June 27th. The wages movement upward has for the moment almost ceased. The average weekly skilled wage on June 1st in eleven industries and on the railways was 51m 40 pf, or only 9 pf more than a month earlier; unskilled, 38m 85 pf, or 10 pf more. In the first half of June the number of persons drawing unemployment pay and "crisis relief" fell from 761,919 to 747,683. The movement of the fully unemployed compares badly with that of 1927 ("crisis relief" omitted):—

	1927.	1928.
January 15	1,839,875	1,371,103
June 15	597,872	622,165

A bad sign is the rapid growth in the number of partly unemployed in the finishing manufactures. Working on short time at the end of May were 17.9 per cent. of textiles employees, as against 2.9 per cent. a year earlier; leather employees 18.2 per cent., against 1.7 per cent.; footwear, 41.7 per cent., against 3.8 per cent. The quarterly *Wirtschaftskurve* publishes data to show that the buying power of the German population reached the pre-war level in the summer and autumn of 1927. The official index of industrial production indicates that April was the first month of considerable decline. On an index basis of 100 for the average production of 1924-25-26, the highest index number, 129.3, was reached in November, 1927, and in February this year the index was still 128.0, but it fell to 122.6 in April.

The coal situation has not improved. The Ruhr Syndicate is still restricting unprofitable sales in the "competition districts." Exports in May fell off heavily, and in January-May inclusive were 10,534,000 tons, against 12,032,000 tons in the same months of 1927. Although there has been some discharging of miners, the employers have tried as far as possible to manage by passing a certain proportion of shifts; but this policy has limits, and the Prussian Trade Minister declares that closing down will have to be more and more resorted to. The Ruhr Syndicate's daily average sales in June are estimated at a little higher than in May, when they were around 207,000 tons. The Government parties in the Prussian Landtag demand that "in order to facilitate competition with English coal" the railway rates for coal to the coast shall be further reduced, and that the construction of the Hansa Canal shall be taken in hand.

The home iron and steel market is quiet and export is weakish. The net export of heavy iron and steel in the first five months of this year averaged about 160,000

metric tons a month, as against 137,000 tons in 1927. Figures for the five months are:—

	In Metric Tons.	
	Imports.	Exports.
Iron and steel	1,183,911	1,999,880
Machinery	28,883	211,680

The net export of machinery is considerably above the level of the same months of 1927. The Solingen steel industry reports dullness, but prices have not further fallen. A plan is under way for agreement between the chief bicycle manufacturing firms to check over-production by fixing quotas. The Danish Communications Ministry, it is reported, has undertaken to give a German firm orders for locomotives, and it is stated that German firms have received Yugoslav orders of value about 40,000,000 marks for electrical, textiles, and other machinery, to be partly paid for on Reparations account. The Potash Syndicate's home and export sales in June totalled 99,950 metric tons of pure potash; in the first half of 1928 803,097 tons, against 914,940 tons in the corresponding half of 1927. The increase largely falls to export sales.

The crop reports are somewhat more favourable, but the harvest will be between two and three weeks late. The crop conditions index for Prussia on July 1st (on basis 2 equals good, 3 middling, and 4 meagre) was:—Winter wheat, 2.8; spring wheat, 2.9; winter rye, 2.9; spring rye, 3.0; oats, 2.9; sugar-beet, 3.1. The chief improvement in June was in winter rye, which is the largest and most important crop.

An inquiry made by the *Frankfurter Zeitung* throws some light upon the financial position of industry. The industrialists described the great trade activity of 1927 as a "quantity boom" as distinguished from a "profits boom," and asserted that the additional profits which had been made from the admittedly great increase in production had been swallowed up by taxation and social burdens, or that, owing to the rise in wages, no additional profits had been made. The inquiry showed that not only did profits increase considerably in 1927, but that they have been increasing year by year ever since the currency stabilisation. The accounts of 85 typical companies in 18 different branches, with a total capitalisation of 4,642 million marks, show dividends (including bounties to directors and employees) totalling:—1924, 171 million marks; 1925, 218 million marks; 1926, 273 million marks; 1927, 358 million marks. In 1924, 29 companies out of the 85 companies passed their dividends; in 1927 only 5; in 1924 only 4 paid over 10 per cent.; in 1927, 28. Net profits on combined capital and reserves grew from year to year in the ratio 66, 77, 85, and 100. The profits of the coal and iron companies increased at a particularly speedy pace between 1924 and 1926, but declined later owing to the settlement of the British coal strike.

The Bourse movement last week was downward. The Lowenstein affair caused general weakness, from which artificial silk stocks, with temporary drops of 50 per cent., suffered most. The Lowenstein stocks were again offered on Monday, but in general the Bourse was firm. Tuesday's Bourse opened strong, but closed weak and dull.

TURKEY. — DEBT SETTLEMENT — CURRENCY NOTES — KEEPING OF THE SABBATH — FAILURES IN CONSTANTINOPLE — TOBACCO MARKET. — BANKING.

(FROM OUR CORRESPONDENT.)

CONSTANTINOPLE, June 20.

A TELEGRAM from Angora which appeared in yesterday morning's Turkish papers officially confirms the signature in Paris on June 17 of the Agreement arrived at between the Foreign Bondholders and the Representative of the Turkish Government with respect to the future service of the External Debt of Turkey. Subject to the ratification of this agreement by the National Assembly during the autumn session, the first payment to be effected by the Turkish Government will now fall due in December next.

The operations inaugurated some six months ago under the joint supervision of the Ministry of Finance and the Ottoman Bank in connection with the withdrawal

from circulation of the old currency notes have latterly been proceeding with ever-increasing slowness. Of the original issue, made in 1915, of 160 million Turkish liras, there have so far been presented for exchange since December last old notes to the value of 128 million, or, roughly, no more than three-quarters of the total. It is beginning to look as if the official Turkish estimate of a note-wastage, due to various causes, of about 30 million liras since 1915 may prove substantially correct, and that the Turkish Treasury may benefit to some such extent.

A motion is to be laid on the table of the House of Assembly during the coming session by Hussein Bey, Deputy for Constantinople, proposing that the Turkish Sabbath be kept in future on Sunday instead of Friday, as is now the case. That some such proposal was being contemplated, and would probably eventuate in the near future, has been mooted for some time past. The innovation, should it materialise, will strike at the very root of age-long tradition and practice in the matter of religious faith, the "Djouma'a" (Day of Assembly), or Friday, being the one day regularly observed throughout the length and breadth of the land in respect to collective religious ceremonies in the mosques, as distinct from individual daily prayers which may be performed almost anywhere. It is generally conceded, however, even among traders of the Moslem faith, that existing regulations with respect to the observance of Fridays, feast days and public holidays are having a detrimental effect on the economic development of the country, and that they should be amended. As matters now stand the position is, briefly, as follows:—On Fridays, the present Moslem sabbath, all Government departments, banks, business houses, stores and shops must remain closed the whole day. This regulation applies to all foreign and non-Moslem establishments indiscriminately. On Saturday the Jewish sabbath, many of the Jewish bankers, brokers, and commission agents operating on the Constantinople market keep their establishments closed. On Sunday all banks and most business houses are compelled to remain open till noon, at which hour business ceases. In addition to this, however, some foreign business houses keep the "semaine Anglaise," or "English week-end," closing from noon on Saturday till Monday morning. Compulsory closing on public holidays of a national or religious character must be added to the foregoing; at the last feast of Bairam, for instance, celebrated some three weeks ago the Stock Exchange and all banks remained closed from Tuesday evening till the following Sunday morning—a matter of three whole working days.

Reverting to the question of the financial difficulties experienced by a number of Constantinople native business houses in the cotton textile trade to meet their engagements towards foreign manufacturers, the failures in this city now amount to close upon one million pounds sterling, the liabilities of two of the leading Turkish firms alone standing at £500,000, with practically no available assets. The losses would appear to fall principally upon Italian, Belgian, and Cheko-Slovak cotton spinners, who have been in the habit since the Armistice of granting long credits to Turkish importing houses, whereas Manchester firms, operating in nearly every instance on a cash basis, have not felt the effects of this distant storm.

The position in the tobacco trade, also, has been steadily going from bad to worse during the past two months, and it is reliably reported that accumulated, unsold stocks of medium and low-grade leaf on the Turkish markets to-day amount to close upon 10,000 tons. It is now almost impossible to induce any local bank to accept this commodity as security for loans. Indeed, in most cases the banks continue to press for settlement of outstanding advances, and as no market can be found for the bulk of the tobacco, either abroad or in the country, the situation has become a serious one. It is comforting to be able to report that the foreign demand for one other at least of the exportable Turkish commodities, mohair, has been as brisk and sustained as the wool has been good and plentiful during the past season, a bumper clip of 53,500 bales being reported, the bulk of which has gone to Bradford.

The President of the Republic, who is spending the

summer on the shores of the Bosphorus, last week paid an informal visit to the Ish Bankassi in Stamboul, and remained on the premises for over three hours. He is reported to have very carefully gone through every department of the establishment, and to have had a lengthy conversation with the general manager, when, it is possible, the question of amalgamation may have been broached. The Ish Bankassi itself amalgamated last year with the Credit National Ottoman, a creation of the late Djavid Bey, former Minister of Finance under the Unionist régime.

ARGENTINA.—POLITICAL OUTLOOK—RAILWAY TARIFFS—MONETARY CONDITIONS—CROP MOVEMENTS—FOREIGN EXCHANGES.

(FROM OUR CORRESPONDENT.)

BUENOS AIRES, June 21.

COMMERCIALLY and financially Argentina's present condition is in excellent shape. The steady flow of exports continues, agricultural and pastoral prospects could scarcely be bettered, there is an abundance of ready money in the market, and, at the moment of writing, the situation as regards labour is wholly normal. Politically, the position is not so straightforward, for although the electoral college have officially proclaimed Dr. Hipólito Irigoyen and Dr. Francisco Beyró as President and Vice-President elect respectively, the Personalists, or supporters of Dr. Irigoyen, cannot rest easy until they have obtained the nomination of a member of their party as President of the Senate. In the Senate, however, they have not as yet the required majority, and hence arise obstructive tactics, threats of provincial intervention, and a general postponement of all public business while the parties jockey for position. The importance attaching to presidency of the Senate is comprehensible when it is remembered that Dr. Irigoyen is reported to be 74 years old, while Dr. Beyró is admittedly very delicate, and was even subjected to examination by a medical committee before the electoral college finally proclaimed their choice. Under the Argentine Constitution, if anything happens to the President and Vice-President it falls to the President of the Senate to sit in the presidential chair of the Republic for the remainder of the electoral period. Not until October does the present régime surrender office, but seeing that Congress has not yet met, and that political feeling over the aforesaid matters already runs high, there is danger of an administrative interregnum setting in which is not calculated to promote general trade interests.

As was anticipated, the Government decree relating to the tariffs of the Buenos Aires Great Southern Railway Company has appeared. It calls on the company to submit to the study and approval of the executive power new tariffs within 30 days of June 13th, the date of the decree. It is declared that the ordinary tariffs for passengers, excess luggage, goods, and livestock do not meet the requisites of justice and reason as established by article 44 of law number 2,873. The report of the Direction General of Railways on the working results of the Central Argentine system is expected to appear any day, and thereafter they too will receive a similar official notification calling upon them to reduce current rates. What position the companies will adopt in regard to this call for reduction and with respect to the demand, recently reiterated, of the lower-grade railway labourers for increased wages is difficult to foretell. There is some talk of testing the legality of the call for a reduction, basing the case for the railways on the terms of the Mitre law, and there is also a slight hope that some compromise may be reached in the matter of the salary increases. If this cannot be brought about, the possibility, though not the certainty, of a strike must be envisaged, detri-

Travel and Money

The far too common method—or lack of method—of carrying cash in bulk when abroad, is wholly unsatisfactory. Travellers are invited to consider the arguments of two leaflets issued by the Westminster Bank, *Points before Travelling*, and *Safeguards for the Traveller*, which will be gladly sent by the Secretary of the Bank on application.

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mental though it would be to the best interests of practically everyone in Argentina.

The money market is very easy, notwithstanding that gold imports during the next two or three months are unlikely. Discount rates are down to 5½ per cent. for best trade paper, with 6 to 7 per cent. charged for single name advances and current account credits. The Buenos Aires bank balances, just published for the end of May, mark a record with Deposits 3,865 million paper dollars and Cash in Hand 150 million gold dollars and 850 million paper dollars. The gold in the Conversion Office is also slowly but steadily rising, being now \$504,004,092 gold. The note circulation is \$1,145,463,818 paper. Though imports of merchandise show some increase, there is no reason to expect any great expansion in this direction, the consuming power of the Republic being limited by its population. Therefore, should the coming harvest prove satisfactory, and no untoward events intervene, a further influx of gold may logically be expected towards the end of the year. This is a possibility giving added weight to the arguments of those who hold that the time is now ripe for remodelling Argentina's currency system on the basis of a Central Reserve Bank having direct control of the note issue. Cereal prices are easier all round, spot wheat being \$10.80 paper per 100 kilos with \$11.20 for August. Maize is \$8.20 spot and \$7.70 for August, and linseed \$15.30 spot and \$15.50 August. Maize is going forward freely at over 200,000 tons a week, while wheat shipments are also exceptionally large for the time of year, having reached 3,500,000 tons down to June 16th. Ocean freights, which were easier at the beginning of the month, are now decidedly firm, both for open charter and berth terms, prompt steamers San Lorenzo range on open charter being fixed at 22s 6d, while grain parcels for the United Kingdom are 17s 6d with 16s 6d Dutch and German ports. Cattle prices remain steady, but wool is somewhat easier, the market as a whole being quiet. In the foreign exchange market sterling and dollars continue very steady, cable rates being 47 19-32d and 103.30 respectively. Continental currencies have moved but little, the only fluctuations of note being in pesetas, which closed at 5.93, bank's sight drawing. The news regarding a probable early stabilisation of the French franc, though followed with interest, has not led to any marked increase in operations in this currency. Given the political situation, nothing further has been heard of possible national loans to be placed in New York, but there is every probability that ere long the Province of Córdoba will be a borrower to the extent of some \$40,000,000 paper for conversion purposes, and it has been publicly stated in the Press of that province that various advantageous offers have already been received from American bankers.

Letters to the Editor.

THE NATIONAL INDUSTRIAL COUNCIL.

TO THE EDITOR OF THE ECONOMIST.

SIR,—I read with interest your account in the *Economist* of July 7th of the proceedings of the Mond Conference. Your criticism of the proposed constitution of the National Industrial Council is justified and as you refer to German legislation I should like to add a few remarks based on our experience.

There is a very close connection between the fact that neither the trade unions nor the associations of entrepreneurs embrace the whole personnel of industry, and the desire to limit representation in the National Industrial Council to the organised sections of the industrial economy. It is to the interest of the unions to be recognised as the sole representatives of the workers. In Germany they actually are so by law. In the same way the employers' associations desire exclusive representation. If anything of this sort should come about, it would put pressure on the unorganised employees and employers to join the organisations, for the unorganised sections of industry will not be willing to remain without influence.

This development was already apparent during the war, and after the revolution it became very pronounced.

Nevertheless, as all parties gained experience a retrogressive movement set in. Membership of associations of employees and employers involves many obligations, and in particular it involves expense. In time it began frequently to be said that one might as well save the expense since the official organisations would, anyhow, look after the business of both sides. The high subscriptions to the trade unions, together with certain political causes, led to a heavy falling off in membership. Thus, for example, I recently ascertained that in one large factory only 17 per cent. of the workers were organised, while 83 per cent. remained unorganised. I was told that many of the unorganised workers gave the subscription as the reason for their abstention, pointing out that the unions, as legally recognised representatives, were obliged to do whatever had to be done in the interests of the workers. Similar tendencies may be observed in employer circles. True, the fact that wage agreements with the workers, in so far as they are legally binding, involve every manufacturer, organised or unorganised, has still a considerable tendency to draw employers into associations; but if, as is contemplated, the State further limits its participation in wage matters, many manufacturers will undoubtedly once more abandon their organisations.

From the political point of view it must, in any case, be clearly realised that official recognition of a joint council of employers and employed will have a lasting influence on the structure of the big economic organisations. Personally, I see both advantages and disadvantages in the development of this type of council, and I am of opinion that the value of such an association must be differently estimated in the different stages of a country's economic development. That which seems very appropriate to one era may be wholly unsuitable to another.

You touch, further, upon the question how far representatives of consumers and of the State should participate in such a council. May I refer, in this connection, to the German Economic Council? This has a provisional membership of 326, composed as follows:—

Group	I.—Agriculture and forestry	68	representatives
"	II.—Horticulture and fisheries	6	"
"	III.—Industry	68	"
"	IV.—Trade, banking, and insurance ..	44	"
"	V.—Public undertakings and trade ..	34	"
"	VI.—Manual work	36	"
"	VII.—Consumers	30	"
"	VIII.—Officials and independent professions	16	"
"	IX.—Representatives of regional economy	12	"
"	X.—Outstanding personalities appointed by the Government ..	12	"

Groups I.-IV. are equally divided between employers and employed. The employers in these groups together compose Section I. of the National Economic Council, the employees, Section II. Groups VII.-X. together compose Section III.

The officials in Section III. are not sent to the Council as representatives of the State, but as representatives of the economic interests of their own class. It follows that the State as representative of ultimate sovereignty takes no part in the council. Consumers, on the other hand, are substantially represented. The State retains a position of independence with regard to the Council, inasmuch as the national and provincial governments have the right to send their representatives to its sessions. The proposals which the State has to make to the National Economic Council do not emanate from the Council itself, but are made to the Council

as from without. According to German views the participation by the State as an ordinary member of such an organisation is not desirable. It is thought that the State retains greater freedom and authority if it remains outside.

Perhaps these considerations may be relevant to the position in England. In any case I was anxious to draw your attention to these points.—Yours faithfully,

A. LAMMERS.

Neues Grolmanstrasse 5-6, Berlin, July 9th, 1928.
[This letter from a director of the Reichsverband der Deutschen Industrie and chairman of the Commission of Inquiry into German Trade and Industry throws an interesting light on the constitution of the Council proposed by the Mond Conference. A Note of the Week in a preceding column, contributed by a Labour correspondent, makes it clear that the points made by Dr Lammers are already in the minds of our Labour leaders. More complete organisation on both sides, provided they are mobilised for co-operation and not for war, is in the national interest.—Ed., *Economist*.]

ROADS, RAILWAYS, AND THE PUBLIC.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Mr Allen's remarks on this subject in your issue of June 23, 1928, may show that he has been a victim of the less enlightened propaganda of interest hostile to road transport. They do not give the impression that he has made a profound study of his subject.

It is certainly true that all forms of land transport require a "permanent way" of some kind, but there is a vital difference between the "permanent way" of road and of rail transport which Mr Allen seems to ignore. Railway tracks are effectively the private property of the railway companies, and were constructed *ad hoc*. Roads are public property; they owe their origin to, and are used at present for, other purposes than to give passage to mechanically-propelled vehicles. The importance of these other uses of roads is shown by the fact that annual expenditure on them increased from the equivalent of £17,684,000 in 1893 to £34,405,000 in 1903, i.e., before motor vehicles were in existence in any numbers. The latter sum had increased by 1924-25 to only £57,659,630—a slower rate of increase than in the pre-motor period.

It is not necessary, however, to dispute that the maintenance of roads to meet modern traffic requirements is more costly than it need have been without modern traffic. The receipts of motor taxation, now amounting to £24,000,000 per annum (excluding the petrol tax), more than bridge any possible gap between the present cost of roads and what it would have been by now in the absence of motor traffic. If roads were the private property of motor transport companies, they would be able to economise sufficiently by the regulation of traffic and running to time-table to pay the full cost of roads, as they should then be obliged to. As it is, they are paying a very generous share of these costs for their limited share of the benefits.

Road transport cannot be blamed for the difficulties under which the railways operate, whether these be of the companies' own making or imposed by the Railways Act. Moreover, it is idle to speak of road transport "filching" traffic from the railways. The advantages of road transport in providing individual and door-to-door transportation of persons and cheap and rapid delivery of goods are patent. But in the case of goods these advantages are more conspicuous for short hauls and for highly-rated traffic. The saving of time in handling valuable freight much outweighs any possible difference between rail and road charges. As long as road transport is superior to rail in rapidity in handling such traffic, it will keep it even if the railways were to offer to handle it gratis. With loads of coal, iron, &c., speed of transit is usually of little importance, and it is only when for some special reason that these are required urgently that the more costly (for such freights) method of road transport is employed.

Finally, a word is necessary upon the fallacy underlying Mr Allen's argument with regard to the taxation of lorries. As he admits he does not know whether there is a maximum weight for these vehicles, it is not surprising that he should fall into the common error of supposing that road damage is governed by, or proportionate to, the weight of vehicles. Actually, it is well known that roads deteriorate more rapidly with no traffic than with suitable traffic, and, secondly, that the weight of vehicles is of much less importance than vehicle and tyre design. A ten-ton lorry, properly sprung, and with good tyres, has been proved to do less damage to the road than a one-ton lorry badly constructed. The improvements in modern vehicle construction and the stringent regulations of the Ministry of Transport governing constructional requirements, maximum weights, axle weights, and speeds have actually brought road wear by vehicles into relation with the strength of roads as now reconstituted for modern traffic. It is significant that at the present time the least expensive roads to maintain are those which bear the heaviest traffic.

Undoubtedly, the rapid development of a new form of transport on the scale of the motor vehicle must cause some disturbance, and it is not perhaps possible as yet to see the

solution of all the problems which it raises. The recent mass of uninstructed and often unintelligent comment on these matters does little to assist those engaged in trying to co-ordinate the activities of rail and road transport to the national advantage.—Yours, &c.,

R. SPICER.

83 Pall Mall, London, S.W. 1.

Books and Publications.

"GOVERNMENT BONDS AS INVESTMENTS."

In view of the pace at which American investors have been lending money in other countries, it is certainly much to be desired that they should be instructed concerning the tests to be applied to foreign Government bonds. This task has been well carried out by Professor Patterson, who has brought to it a considerable amount of research and the sound common sense which is so essential for the consideration of investment problems. He is also much more moderate in the matter of verbosity than most of those who set out to instruct the American public. He has packed his subject into 220 large-printed pages without missing any of its essentials.

In spite of the somewhat lurid past of the early days of the flotations of Government bonds, he begins by saying that the solvency records of Governments have compared very favourably with those of other classes of borrowers. For the 30 years from 1882 to 1911, according to estimates published by Mr T. W. Lamont, the average amount of Government bonds in default each year was 39 cents per 100 dollars outstanding, as compared with 1.84 per cent. in railroad securities and 2.07 per cent. in industrials. He suggests that ten tests should be applied to any foreign Government bond in which an investor is proposing to take an interest, such as the record of good faith of the borrowing country and its people, its general economic status, a balanced Budget, a balance of international payments which should be "favourable, or at least potentially favourable," productive use of the funds secured from the bond issue, and so on. These tests certainly cover the ground which ought to be traversed by those who propose to invest in foreign bonds, and the mere enumeration of them only shows how difficult—not to say impossible—it is for any ordinary investor to be in a position to judge for himself concerning the financial position of a foreign Government. With regard to the record of good faith, there is no difficulty, but how is the average citizen to know that the general economic status of any borrowing country is one of "continuing and healthily expanding prosperity"? And how, again, can he possibly know that the Budget of the borrowing Government is clearly and definitely in balance? With regard to the economic status of the country, Professor Patterson himself points out that "credit men know the intricacies of private finance, and can testify to the obstacles that are encountered in trying to determine whether a single individual or corporation should receive a loan. For an entire country the task of compiling similar data is overwhelming. Information is difficult both to secure and to interpret, and no great amount of accuracy is possible." As to Budgets, we also have the writer's authority for the statement that in applying this test to France we find ourselves in a bewildering situation because of the peculiarities of Government accounting. "There are Budgets and Budgets and still more Budgets. At one moment we are told there is a balance, a little later we learn some important item has not been included and that new loans are needed. For five years after date Budgets are still open, and items may be added on the expenditure side. Also, we cannot be certain how many items may be omitted and appear in separate accounts for which, however, the Government is liable."

If, however, Professor Patterson has set up an impos-

* "Tests of a Foreign Government Bond." By Ernest Minor Patterson, Ph.D., Professor of Economics in the University of Pennsylvania. Payson and Clarke, Limited New York. \$2.50.

ing row of tests, most of which are difficult if not impossible to apply, his book will certainly have done good work in calling the attention of the American investing public to the difficulties of the problem which they are essaying. But he should have given us an index.

BOOKS RECEIVED.

[Brief mention of a book in this column does not necessarily mean that it will not receive fuller notice in a subsequent issue.]

A Way of Order for Bituminous Coal. By Walton H. Hamilton and Helen R. Wright. (London) George Allen and Unwin, Limited, 10s net.

This is an attempt to find a solution to the problem, propounded by the same author a year ago, of the American bituminous coal industry. The author's own suggestion is a plan of collective control by consumers and mineworkers. Dissenting views and alternative plans are given in a series of appendices. In spite of the differences between American and English coalfields, the book has much which is of interest to the British reader as bearing on similar difficulties in this country.

Successful Advertising. By Philip Smith. (London) Smith's Advertising Agency, Limited, Publicity House, 100 Fleet street, E.C. 4.

This jubilee edition of a standard text-book on advertising is a remarkably attractive piece of work. Beautifully printed and embellished with numerous illustrations, it contrives to remain very easy reading, while yet imparting all the information proper to a standard reference book. It includes a useful technical section on typography, the use of colour, and technical terminology.

An International Language. By Otto Jespersen. (London) George Allen and Unwin, Limited, Ruskin House, 40 Museum street, W.C. 1. 4s 6d net.

This is an attempt to construct a new international language which shall be free from the objections which have been urged against all previous composite languages. An interesting feature is the reduction of the number of vowel sounds to five, in order that the slight variations in the pronunciation of each, by speakers of different nationalities, may lead to no confusion. The accident of the language seems fully worked out, but one would have welcomed more enlightenment as to the proposed order of words.

Colombia, with special reference to Cotton. (Manchester) International Federation of Master Cotton Spinners' and Manufacturers' Associations, 238 Royal Exchange. 10s 6d.

This is something between an economic geography and a specialist's guide book. Following half-a-dozen descriptive chapters on history, geography, general characteristics, and communications come more detailed accounts of natural resources. Though most attention is given to cotton, bananas, sugar, tobacco, and the cattle industry are briefly considered. Space is also given to finance and foreign trade.

L'Annuaire Général, 1928. (Paris) Librairie Larousse, 13-17 Rue du Montparnasse (VI.e). 80f.

Contains three classes of information: general statistics relating to population, agriculture, industry, finance, and commerce by principal countries; reference data on the principal international organisations; and a short section on each of the powers, however small, under such headings as "government," "population," "currency," "products," "commerce," "communications." A most compendious little book of reference.

The Slavonic Review. June, 1928. (London) Jonathan Cape, Limited, 30 Bedford square, W.C. 1. 6s net.

This issue contains a number of interesting articles, including "William II.'s Balkan Policy," by R. W. Seton-Watson; "Labour Conditions in Soviet Russia"—an advance chapter of an unpublished book—by V. Höfding; "Tolstoy, 1828-1928," by D. S. Mirsky; and an absorbing article describing an attempt to rescue the Russian Imperial Family.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:—

Report of the Industrial Assurance Commissioner for the year ended December 31, 1927. 3s net.

Department of Overseas Trade: Survey of the Import Trade of India for the Fiscal Year April 1 to March 31, 1927-28. Ref. No. 19690/28.

Return Showing the number of persons in receipt of Poor Law Relief in England and Wales on the night of the 1st day of January, 1928. 1s 3d.

Colonial Reports: No. 1384. Nigeria, 1927. 1s 3d net. No. 1386. Gold Coast, 1926. 2s 6d net.

The Stock Exchange.

BRITISH FILM FINANCE.

THE Parliamentary supporters of the Films Act perhaps never considered the financial consequences of that well-meaning measure of protection for the British film industry. The Films Act *inter alia* imposed upon both renters (distributors) and exhibitors a certain quota of British films—beginning at 7½ per cent. and rising by 2½ per cent. each year to 25 per cent. of their respective turnover. As the import of foreign films had been at the rate of about 700 per annum, this quota meant that at the outset 52 British films might have to be bought by the renters, who distribute to the exhibitors, in place of 52 foreign films; in the following year 70 and so on up to 25 per cent. of the total number of films distributed. When Sir Philip Cunliffe Lister moved the second reading of the Films Act on March 16, 1927, the average production of British films had been only 28 per annum; and none of them would have been classed as fit for the American market, and very few of them would ordinarily have been bought by the big "renters" for distribution even in this country.

The objections put forward to this revolutionary measure were mainly economic. The exhibitors objected that they would be forced to buy British films of inferior quality and at exorbitant prices in view of the shortage of supply. This was certainly one of the dangers of the Films Act; but it could fairly be replied that America had not a monopoly of artistic talent, although with the lure of high salaries it had attracted the majority of Continental film stars and directors; that films could be made as cheaply in Great Britain as they could in Hollywood; and that in any case the purpose of the Act was to get films produced in this country, even if at first they were bad and expensive. But as far as we know no one in Parliament foresaw the dangerous opportunity which the Films Act gave to the financial promoters of new film companies. With the Government declaring that they must have British films at any price, an invitation was in effect given to the company promoters to get busy, and the public were in effect encouraged to subscribe money to any film production gamble they offered. What were the results?

We have made an investigation into the public issues that have been made by film companies since the introduction in Parliament of the Films Bill, and have calculated in pounds, shillings, and pence exactly what the public has suffered as a result of the Government call for British films. Our inquiry covered the issues of eleven companies, involving the creation of a total capital of £2,408,000, of which £1,936,750 was subscribed in cash. We have omitted from this investigation the issues made by the two big groups which dominate the cinema industry in this country—Gaumont-British and Provincial Cinematograph Theatres. Gaumont-British is an amalgamation of old-established film producing, distributing, and theatre-owning companies, and in May this year obtained a controlling interest in two newly-formed theatre circuits—Denman Picture Houses and General Theatres Corporation. Gaumont-British made an issue of 1,000,000 7½ per cent. cumulative preference shares and 100,000 ordinary shares of 10s in April, 1927, and an issue of 690,000 ordinary shares to shareholders at 30s per share in June, 1928. The Provincial Cinematograph Theatres owns a circuit of more than 100 cinema theatres, which are perhaps among the best in the country. It is controlled jointly with Pathé (an old producing and distributing concern) by the Standard Film Company, and it assumed greater importance this year by being linked up with two of the big groups in America—First National-Stanley and the Allied Artists' Corporation. These British and American interests pooled their distributing organisations in Great Britain in a new

company called First National-Pathé, 51 per cent. control being held by the Standard Film Company, and formed in addition a joint producing company to produce British "quota" pictures. An issue of 853,429 7½ per cent. participating preferred ordinary shares of Provincial Cinematograph Theatres was made in February this year. As these issues were made by groups which were predominantly theatre-owning, we have omitted them from our investigation.

The eleven issues we considered have necessarily all been speculative, but some of them, being made by well-established concerns, were a fair "picture" risk. We refer especially to British International Pictures, which owns at Elstree the largest and best equipped studios in this country and controls a successful distributing organisation known as Wardour Films; to Pro Patria Films, which is the distributing organisation of the successful British Instructional Films; and to the New Era National, which took over existing producing units. These issues were straightforward and not unattractive speculations, but the remainder have been issues, for the most part, by unproved companies inviting money from the public for the production of new films by untried organisations. It is this type of issue which, in our opinion, is open to considerable criticism.

If the Government had passed an Act of Parliament imposing, say, a quota of British crook plays upon West-End theatres, it would have been considered indefensible if theatre managers had suddenly invited the public to subscribe nearly £2,000,000 for the making of new plays about British criminals which might be altogether unpopular with the West-End first nighters. The production of a film is no less a gamble than the production of a West-End play. The film industry is highly specialised. It is idle to have a distinguished board of directors consisting of eminent public men who have no working experience of film production. Everything depends upon the practical experience and artistic talent of the film scenario writers, directors, and supervisors. The British public has no means of judging whether the particular individuals chosen by the new companies to write, direct, and supervise their films have been tried and found commercially successful. And even if these individuals have in the past made successful pictures, there is no guarantee that they will necessarily make equally successful pictures under new conditions. Producers, like stars, have their day, and each picture they make is a gamble on popular favour. Again, the public is not to know that Mr Blank who is put forward in the prospectus, say, in connection with the production of several well-known pictures, actually directed or supervised those pictures. He might merely have been an assistant to an assistant director. It is easy to deceive the public in details of this kind, and we have no hesitation in declaring that the public, having no means of judging the accuracy of statements contained in the prospectuses of these new film companies, were in many cases actually misled.

Another reason why these issues may be regarded as indefensible is that the Films Act, while it compelled the production of British films, did not compel any market to show them, except a restricted market in Great Britain. The public was not told that a British film costing, say, £25,000 will never make a profit only from the British market. It is, however, the fact that no British film-producing company can hope to pay dividends if it has not an outlet for its production on the American and foreign markets. No organisation existed at this time for the sale of independent British films abroad, and if the three big producer-renter-exhibitor groups in America (First National-Stanley, Famous Players-Lasky, and Metro-Goldwyn-Mayer) decided to boycott British films, a small independent company would have no chance of getting its pictures shown in the United States. It is only the companies owning cinema theatres which can be said to have an assured market for their films. None of

the new film-producing companies (we are omitting British International Pictures) had theatres in which to show its films, and most of them had not even studios in which to make the pictures. Yet the Films Act did nothing to protect the public from being asked to subscribe to film production promotions which in the present organisation of the British film industry could only be the most desperate gambles.

In our examination into the prospectuses of the eleven companies' issues we found that the public was asked to put up 93 per cent. of the cash, and was given 53.6 per cent. of the voting power and 57.5 per cent. of the estimated profits. This calculation takes no account of the vendors' options on deferred shares which in some cases are of considerable value. In other words, the finance of these new film production companies did not give the public a fair run for its money. Let us see what the subscribers have suffered so far. We have taken the market value as on July 6 of the preferred and deferred shares issued by the eleven companies analysed, and have compared the sum total of the shares held by the public and those held by the vendors. The ordinary share capital of four companies, which did not create any preference shares, is included in the deferred totals. The following table gives the result:—

	Par Value.	Present Value.	Result
Public shares—	£	£	£
Preferred	1,234,250	765,387	— 468,863
Deferred	569,212	601,710	+ 32,498
		Net	— 436,365
Vendors' shares—			
Preferred	44,750	29,938	— 14,812
Deferred	559,788	963,497	+ 403,709
		Net	+ 388,897

It will be seen that on its deferred shares the public has a profit of £32,498, and on its preferred shares a loss of £468,863, making a total net loss of £436,365. On the other hand, the vendors on their preferred shares have a loss of £14,812, while on their deferred shares they have a profit of no less than £403,709, making a net total profit of £388,897. The Government called the tune, the public paid up, and the promoters went off with a profit of nearly £400,000, apart from what may accrue through the exercise of options on deferred shares.

We do not suggest that some of the new film companies have not been well organised, and under good direction will not produce good pictures and make profits. But it is obvious that many of them will in a few years' time find that the money the public so gladly subscribed has been lost in the production of non-dividend producing films. Some of the distinguished gentlemen who sit on the boards of directors will then have to consider ways and means of getting their companies out of their difficulties without applying for a winding-up order.

ALFRED LOEWENSTEIN.

THE Loewenstein mystery, far from being solved, merely deepens. It is now a week since the Belgian financier disappeared from his aeroplane over the North Sea, and not even his friends and associates seem yet to be aware of the nature and extent of his commitments. The officials are still guessing at the manner of his death. The City is still guessing at his financial position. The perplexity of the scared pilot landing the aeroplane on the sands at Dunkirk without the millionaire owner who stepped into it at Croydon is almost equalled by the perplexity of the "jobbers" in the Stock Exchange who have to deal in a "one-man" market with the one man dead. The shares of International Holding and Investment Company and Hydro-Electric Securities Corporation, the special creations of Captain Loewenstein, have slumped heavily—the former from 215 to 140, the latter from 50 to 38*—but no one can yet say to what new low levels they may sink or what other markets may be affected by the forced selling of those who have serious losses to meet.

* The highest mark recorded for International Holdings has been 355, and for Hydro-Electric '87.

The uncertainty and perplexity which the financier leaves behind is due in part to the solitariness of his position. Captain Alfred Loewenstein was an isolated event in the financial world. He had powerful associates, but he had not had them long, and it is probable that they were still regarding their association with him in the light of an experiment. His financial record, although it did not lack continuity, was, indeed, alarming to those who believe in quiet, solid achievement. The beginning, it must be recognised, was good. It is said that his father, a small Brussels banker, died in debt and that the son worked first to pay off the family creditors. This done, he began to make his own fortune by the placing in Brussels of lines of securities of hydro-electric companies which were promoted by the late Dr Pearson. This interest in the hydro-electric industry, of which he had a remarkable grasp, was the theme of his financial career which he took up after the war. He broadened this interest by coming to the financial rescue of the British Cellulose and Chemical Manufacturing Company, now known as British Celanese, Limited. In consideration for his loans he secured a royalty upon the turnover of British Celanese, Limited, and held certain first mortgage and income debentures of that company. International Holding and Investment Company was the company Captain Loewenstein created to hold his artificial silk and hydro-electric investments, which, apart from his British Celanese interest, included holdings in the Société Internationale d'Énergie Hydro-Électrique (Sidro) and Fabrique de Soie Artificielle de Tubize.

But Captain Loewenstein was not content merely to hold investments. He wanted control. He aimed at big amalgamations. Whether he had in view merely the making of stock market profits in the placing of the securities of his companies, or whether he had the more constructive view of helping these industries by forming international cartels, remains unanswerable. *De mortuis nil nisi bonum.* But these ambitions inevitably led him into violent conflict with the owners of the companies he sought to acquire. A bitter quarrel developed with Dr Dreyfus, and in the struggle which followed for the control of British Celanese Captain Loewenstein was severely defeated. It is difficult to say how far the violent personal dislikes he entertained coloured his business schemes, but it is probable that, having disposed of his interests in the British Celanese group, he formed the idea of forming a vast international artificial silk cartel which would dominate that industry and force the British Celanese group either to come in or to "go under."

International Holding and Investment became his means for consolidating his artificial silk acquisitions. This company obtained control of the Belgian Tubize, which in turn held 67 per cent. of the Tubize Francaise and a 5 per cent. interest in the American Tubize. Next it acquired control of the Dutch Breda, a substantial interest (approximately 13½ per cent.) in the German Glanzstoff, a 10½ per cent. interest in the German Bemberg, and a smaller interest in the Polish Tomaszow. It appeared from these acquisitions that Captain Loewenstein was anxious to link up his cartel with the Courtaulds-Glanzstoff-Snia Viscosa group. We believe that International Holding did, in fact, participate in the underwriting of the last capital increase of Snia Viscosa. Certainly Captain Loewenstein attempted to acquire control of Dutch Enka, which is one of the associates of the Courtaulds-Glanzstoff-Snia Viscosa group. In this move he was entirely frustrated by the directors of Dutch Enka, who created preference shares carrying large voting powers, which were issued to themselves and their friends to "ensure continuity of management." Earlier this year it is said that Captain Loewenstein had approached Dr Dreyfus with a view to composing differences and bringing the British Celanese group into his artificial silk cartel. In an interview which he gave in March he spoke of the entente necessary in the artificial silk world and the constructive part to be played by the holding companies. "It is the rôle of holding companies," he said, "to bring together interests which are apparently antagonistic, and to foster working arrangements and close

commercial co-operation between them.....The Holding Company's object is not simply the acquisition of interests in the various artificial silk-producing companies. Its further purpose is to assist in bringing about that co-operation and consolidation in the artificial silk world which I have outlined above, for in this direction lies the greatest measure of success and prosperity for the industry. It may not be too much to hope that others share my view, and will lend their support." Captain Loewenstein was, however, again rebuffed by Dr Dreyfus. A sharp decline in the market prices of British and American Celanese shares followed, which seemed to suggest that Captain Loewenstein had followed up his defeat with a counter-attack upon British Celanese markets. It was believed that he had intended at the present time to make a further attack upon the market position of British Celanese which would have made it difficult for that company to appeal for further capital. In other words, the constructive views which he appeared to hold in March were for the time being lost in the bitter fight which he was waging against Dr Dreyfus. Clearly his war against British Celanese had reached a critical stage at the time of his death. The forces with which he hoped to smash Dr Dreyfus had been massed for a final stroke.

The electric light and power interests of the International Holding and Investment Co. had been turned over to the new company called Hydro-Electric Securities Corporation, which was registered in Canada in 1926. This corporation took over Captain Loewenstein's interests in "Sidro" (Societe Internationale d'Energie Hydro Electrique), the Barcelona Traction Light and Power Co., Limited, the Rio de Janeiro Tramway Light and Power Co., Limited, and in several of the large public utility enterprises of the United States. It was at this stage that Captain Loewenstein was joined by powerful interests, Mr Szarvasy, of the British, Foreign and Colonial Investment, Major Albert Pam, of Messrs J. Henry Schröder and Co., Mr J. H. Gundy, of Messrs Wood, Gundy and Co., and Sir Herbert Holt, the president of the Royal Bank of Canada. Sir Herbert Holt became chairman of both International Holding and Hydro-Electric Securities this year. This may be regarded as the crowning achievement of Captain Loewenstein's financial career. With these powerful associates it certainly looked as if his interests in the light and power and artificial silk industries would develop into something permanent and useful.

As regards the present position of International Holding and Hydro-Electric Securities, the members of the advisory committee, consisting of Mr F. A. Szarvasy and Major Albert Pam, have issued a guarded statement to the effect that the very large share holdings of Captain Loewenstein in the two companies are, "in the main, to the best of their knowledge, unencumbered," and that "the financial position of both companies is sound." It will be recalled that arrangements had been made with a group headed by the J. Henry Schröder Banking Corporation of New York for an issue by the International Holding of \$25,000,000 of 5 per cent. bonds, which we presume was intended to pay for the investments Captain Loewenstein had taken up in the various artificial silk companies. This issue had to be abandoned in view of the slump in the New York stock markets, during which International Holding shares had fallen from over 350 to under 200. We understand that Messrs J. Henry Schröder Banking Corporation have arranged to place privately a large block of shares of International Holding, but that the market price is not yet fixed. It should also be borne in mind that in April last 123,200 shares were issued at \$150 per share, of which 92,335 are now fully paid, leaving an amount of \$3,467,145 due to the company on partly paid shares. In addition, 5,500 shares were subscribed for about a month ago at \$320. The position of the market in International Holding shares must, therefore, be regarded as precarious. The fact that the market price has remained, in the circumstances, remarkably steady may be attributed in part to the confidence which is imposed in Captain Loewenstein's banking associates and in part to the feeling of relief that the artificial silk and the electric light and power industries are no longer to be disturbed by the alarms and excursions of this remarkable financier.

THE WEEK IN THE MARKETS.

SETTLING DAYS.

TICKET.	July 24.	ACCOUNT.	July 26.
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At the beginning of the week there was a tendency in some parts of the "House" to underestimate the probable effects of the Loewenstein catastrophe, on the grounds that London was not heavily involved, and that the deceased financier's affairs had not been shown to be in an embarrassed condition. Carry-over arrangements for the Account proceeded smoothly, and though business was restricted by holiday influences, the undertone was not unsatisfactory. Events on Wednesday, however, combined to dispel this atmosphere of complacency. The unwelcome news of a fresh rise in the Chicago bank rate (followed next day by a rise in New York) was reinforced by reports of difficulties in Brussels and the receipt of considerable selling orders from that centre and from Paris. The decline in the sterling exchange and less comfortable conditions in the London money market were further "bear points." Investment stocks, in consequence, were easier, though the volume of sales was small, and declines were frequent among the more speculative industrial groups. A sense of relief will follow the completion of the present account, but the further outlook must inevitably be influenced by the trend of events in New York, which is discussed in a later page of this issue.

Quiet conditions in the gilt-edged market gave place to dullness as the money market became tighter, and all the leading stocks registered fractional declines. Five per Cent. War Loan, for instance, dropped $\frac{1}{8}$ on Wednesday. Three and a-half per Cent. Conversion Loan $\frac{1}{4}$, Funding Loan $\frac{3}{16}$, and Four and a-half per Cent. Conversion Loan $\frac{1}{4}$. India loans were unaltered. Dealings in Brisbane Five per Cent. opened at $\frac{3}{4}$ discount. Movements in the foreign market, on the other hand, were generally favourable, Brazilian bonds being bought on French account. A limited business was done in Far Eastern issues, but the trend of quotations, as in previous weeks, was mainly in an upward direction.

Public interest in home railways was again conspicuously lacking. The week's traffic returns continued the too-familiar story of decreased receipts, and prices while showing no dramatic decline, sagged in discouraging fashion. The increased Underground interim dividend brought in a few buyers, but business subsequently became inactive. Argentine railway stocks made a somewhat half-hearted effort to rally on a favourable week's returns, but failed to shake off their lethargy. Among Brazilians San Paulo was in demand. Elsewhere the market was quiet, United of Havana being sold, while Canadian Pacific fell away after initial activity.

The turn of events was unfavourable to most sections of the industrial market. Stock Exchange sanction of dealings in the split shares of International Holding failed to encourage dealings to any appreciable extent. Weak conditions were most noticeable in respect of Hydro-Electrics, but all "Loewenstein" descriptions remained under the cloud which settled on them last week. The gramophone group came under the influence of New York selling, Colographs and Victors being chiefly affected, but Vocalions improved on buying on this side. British Celanese fluctuated considerably following the publication of last year's report and the accompanying capital scheme, but support was forthcoming and quotations showed little change on balance. Other artificial silk shares were dull, and the excellent profit statement of English Sewing Cotton failed to revive public interest in the textile concerns. Marconi's were irregular pending the issue of the Imperial Wireless and Cable Company's report. Electric lighting and electrical equipment shares were steady, but business was more limited than of recent weeks. Imperial Tobaccos rose sharply on Tuesday, a substantial buying order finding the market short of shares, but reacted on the decease of Sir G. A. Wills, president of the company. The chemical group was an exception to the prevailing tendency, Salt Unions showing noteworthy strength, while the success of the Imperial Chemical issue, which exceeded market expectations, had an immediate effect on quotations. Motors were reactionary, especially on the "road transport" side, where

Dennis came on offer. Tillings, however, responded to the increased interim dividend. Brewery shares were dull, and iron and steel descriptions idle. Bank interim dividends were, as expected, unchanged in all cases, and prices remained firm in the face of the money market changes of the week.

The rubber share market remained stagnant and featureless. Trading in the commodity was distinguished by more substantial American buying, and this feature, together with the slightly more optimistic tone of recent pronouncements by rubber company chairmen, was responsible for the fact that such price changes as occurred in share values were generally upward. Tea shares lost their tone of hesitancy, a substantial turnover ensuing at firm prices in the securities of the best situated companies, with which the market was not too plentifully supplied. The oil market was at first inclined to harden on news of a rise of 20 cents in the price of Pennsylvania crude, but this tendency was checked by the set-back to speculative activity all round the "House," and with Paris a seller of Mexican Eagles and New York of Creoles, a general marking-down of quotations ensued.

The mining markets, which have been suffering for some weeks from a general lack of Continental and South African interest, were called on this week to bear the brunt of considerable liquidation, particularly on Wednesday, when Brussels, in the throes of the Stock Exchange settlement, threw large blocks of shares on the Paris Bourse. Finance shares declined generally. Consolidated Goldfields being particularly affected. Sub-Nigel was again the weakest spot among a dull group of Rand producers. De Beers were freely offered. Rio Tintos were heavily sold from Paris.

INVESTMENT NOTES.

The American Position.—The most important feature of the week has been the uncertainty which has developed as to the American situation and its possible reactions here. The raising of the Chicago Federal Reserve Bank's rediscount rate from $\frac{1}{2}$ to 5 per cent., followed next day by a similar rise in the New York rate, produced an unfavourable impression on the London stock markets. Investment securities became dull in tone, and a further reaction was recorded in the more speculative markets, which were engaged in preparations for the first Account Day following the Loewenstein tragedy, and were further affected by selling pressure from Brussels and Paris. For some time past New York Stock Exchange conditions have been among the leading factors in deciding the undertone in the London markets, and as this influence must inevitably continue during ensuing weeks, the facts of the current American position deserve careful scrutiny. Briefly, during the last twelve months sustained "bull" activity has raised the value of American industrial stocks as a whole by 20 to 25 per cent., while New York brokers' loans from the banks have reached an unprecedentedly high figure. That accompanying financial conditions have been anything but favourable to such a movement is obvious. America has lost over \$500,000,000 of gold, the gold reserves of the Federal Reserve Banks having fallen by the end of last week from about \$3,000 millions to \$2,546 millions, and the Reserve ratio from 76.8 per cent. to 65.4 per cent. The Member banks in the Federal Reserve system have concurrently borrowed on a considerable scale from the Reserve banks, the latter's holdings of bills and securities having increased from \$1,081 millions to \$1,620 millions in the last twelve months. The suggestion has been made that what amounts, in effect, to a pitched battle has been, and is, in progress between the Federal Reserve authorities, plus some of the Member banks—who hold that Member bank borrowing for other than emergency purposes is contrary to the fundamental principles of the Reserve system—and certain large speculative interests, supported by a number of other Member banks. The desire, which would now seem to amount to determination, of the Reserve authorities to enforce some measure of liquidation of the present financial position, is reinforced by the fact that the customary reduction in commercial credits during the spring and early summer

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price	Week.	Latest	Price	Week.	Latest
Conv. Loan 3½%	78½	78½	78½	Treasury 5% (B)	102	101½
Do 4½% 1914	98½	98½	98½	Palestine 5% 1924-27	104½	104½
War Loan 5% 1923-47	101½	101½	101½	S. Africa 5% 1915-75	102	102
Do 4% (tax free)	100½	100½	100½	Canada 3½% 1930-50	82	82
Consols 2½%	56	55½	55½	India 3½%	71½	71½
Do 4%	86½	86½	86½	Commonwealth 5%	99	99
Funding 4%	90½	90½	90½	N.S. Wales 5½% 1922-32	100	100
Victory Bonds 4%	94½	94½	94½	N. Zealand 5% 1946	103	103
War Bonds 5% 1929	105	105	105	Victoria 5½ 1930-40	101	101
Local Loans 3%	65½	65	65	Nigeria 6% 1949-79	113	113

Foreign Government Securities.

Japanese 6% (1924)	101	99½	101	French 5%	183	183
Tokyo City 5½%	90½	91½	91½	Do 4% (Brit.)	154	154
Argentine 4% Reciss.	86½	86½	86½	German 7%	106½	106½
Austrian 6% 1923-43	101½	101½	101½	Greek 7% Refugees	100	100
Belgian 7%	109½	109½	109½	Hungary 7½%	104	104
Brazil 9% Funding	90½	90½	90½	Italian 6%	70	70
Bulgaria 7%	89½	89½	89½	Italian 5% (Marm.)	100½	100½
China 5% (1912)	85	85	85	P.L.M. 6%	101½	101½
China 4½% (1912)	85	85	85	Poland 7%	92½	92
Egypt 7% 1927	97½	97½	97½	Mexican 5% (1899)	43	43
Finland 6% 1923	97½	98½	98½	S. Paulo Coffee 7½%	105½	104½

British and Foreign Railways.

G. Western Ord. Stk.	85½	84½	85½	Antofagasta Ord. Stk.	89½	88½
L.N.E. Def. Stk.	114	114	114	B.A. & Pacific Ord. Stk.	89	88½
Do 5% Pref. Stk.	25	23½	23½	B.A. & Pacific Ord. Stk.	89	88½
L.M.S. Ord. Stk.	68	67½	67½	B.A. & Pacific Ord. Stk.	89	88½
Metropolitan Cons. Stk.	68	67½	67½	Can. Pacific Com. Stk.	210	209
Met. District Ord. Stk.	76	76	76	C. Argentine Ord. Stk.	91½	92
Southern, Def. Stk.	324	307	307	Entre Rios Ord. Stk.	82½	81½
Do Pref. Ord. Stk.	684	684	684	Leopoldina Ord. Stk.	62½	62
Underground Ord. Stk.	143	143	143	Mexican Rly. Ord. Stk.	8	8
Do Income Bonds	128	125	125	Utd. Havana Ord. Stk.	54½	52

Banks.

Bank of England Stk.	265	263½	263½	Midland £1. fully paid	33½	33½
Barclays £1. (£1)	233	233	233	Nat. Prov. £20. with £4	14½	14½
Barclays (Dom. Col.	14	14	14	Pol. £1. (£1)	14½	14½
Do £1	14	14	14	Hongk. & S. (\$125) £40	158½	158½
Lloyds £5. with £1 pd.	3½	3½	3½	Standard of S. Africa	16½	16½
Martins £1	3½	3½	3½	£20. with £5 paid	16½	16½
Mid. £12. with £2½ pd.	9½	8½	8½	Westminster £20. with	20½	19½
Do £2½. fully paid	9½	9½	9½	£5 paid	20½	19½

Insurance.

Alliance £1. fully paid	23	22½	22½	N. British and Mer. £5.	36½	36½
Com. Un. £2½. fully pd.	28½	29	29	with £14 paid	63	63
London & Lancs. £5.	32	31½	31½	Royal Ex. £1. fully pd.	63	63
with £1 paid	32	31½	31½	Roy. In. £1. with 10/pd.	9½	9½

Coal, Iron and Steel.

Babcock, Wilcox (£1)	37½	37	37	Ebbw Vale (£1)	133	133
Baldwin (£1)	133	133	133	Guest, Keen (£1)	133	133
Bengal Iron (£1)	133	133	133	Powell, Duffryn (£1)	133	133
Bolckow & Vaughan (£1)	133	133	133	Swan, Hunter (£1)	133	133
Dorman, Long (£1)	133	133	133	Vickers (6/8)	133	133

Textiles.

Bradford Dyes (£1)	25	24½	24½	Courtaults (£1)	41½	41½
Brit. Celanese Ord. (10/)	4	3½	3½	Fine Coat. Spinn. (£1)	24	24
Do Pref. (£1)	24	24½	24½	Listers (£1)	133	133
Coats, J. and P. (£1)	24	24	24	Snia Viscosa (200 lire)	133	133

Electrical Manufacturing.

British Insulated (£1)	47½	47	47	Johnson & Phillips (£1)	113	113
English Electric (£1)	47	47	47	Metro-Vickers (£1)	113	113
General Electric (£1)	2	113	113	Siemens (£1)	113	113

Electric Light and Power.

Brnmeth. & Poole (£1)	38	23½	23½	Lancashire (£1)	17½	17½
City of London (£1)	17½	17½	17½	Newcastle (£1)	17½	17½
Midland Count. (£1)	17½	17½	17½	Yorkshire (£1)	17½	17½

Telegraphs and Cables.

Eastern (£10)	250	242½	242½	Marconi (10/)	3½	3½
Eastern Exten. (£10)	241	241	241	Marconi Marine (£1)	24	24
Western (£10)	241	24	24	U. River Plate (£5)	11½	11

Motors.

Austin, 20's	3½	3½	3½	Morris 7½% C.M. Pl. (£1)	17½	17½
Dennis (1/)	37½	37	37	Napier (£1)	24	24
Leyland (£1)	133	133	133	Singer (£1)	24	24

Shipping.

Cunard (£1)	17½	17½	17½	P. & O. Defd. Stock	247½	240
Furness Withy (£1)	133	133	133	Royal Mail Ord. Stock	75	72½

Miscellaneous.

Assoc. P. Cement (£1)	17½	17½	17½	Imp. Chem. Def. (10/)	166	166
Barker (John) (£1)	53½	53½	53½	Imp. C. Gas Stock	166	166
Braz. Traction, no par	53½	53½	53½	Imperial Tobacco (£1)	51½	51½
Brit. Am. Tobacco (£1)	53½	53½	53½	Kreuger & Toll (kr. 00)	304	230½
British Match (£1)	17½	17½	17½	Lyons (J) (£1)	44½	44½
Carreras, "A" Ord. (£1)	17½	17½	17½	Manbre & Garton (£1)	24½	24½
Columbia Graph. (10/)	13	12½	12½	Mond Nickel (£1)	84½	84½
Dunlop (6/8)	13	13	13	Primitiva Gas (£1)	12	12
Duophone (10/)	34	34	34	Salt Union (£1)	24	24
Forrestal Land (£1)	17½	17½	17½	Swed. Match, B (kr 100)	90	90
Gas Light & Coke (£1)	17½	17½	17½	Victor Talking, no par	24	24
Gramophone Co. (£1)	113	113	113	Vocalion (10/)	24	24
Harrods (£1)	37½	37½	37½	Wallpaper, Def. (£1)	133	133
Hudson's Bay (£1)	54½	54½	54½	Watney Combe & St. Stk	302	302
Imp. Chemical (£1)	133	133	133	Wm. Cory (£1)	24	24

Tea and Rubber.

Anglo-Dutch (£1)	17½	17½	17½	London Asiatic (2/)	17½	17½
Cons. Tea & Lnds (£10)	36½	36½	36½	Rubber Trust (£1)	17½	17½

Oil.

Anglo-Persian (£1)	32	33½	33½	Mexican Eagle (£1/06)	13	13
Apex (Trinidad) (5/)	12	11½	11½	Royal Dutch (£3)	338	338
Burmah Oil (£1)	44	44	44	Shell (£1)	54	54
Lobitos (£1)	23½	24½	24½	Trinidad Ls. Hlds. (£1)	38	38

Mines.

Anglo-Amer. of S.A. (£1)	133	133	133	Lake View & Star (4/)	37	37
De Beers Def. (£2½)	41½	41½	41½	London Tin (£1)	34	34
Brakpan (£1)	41½	41½	41½	Modder Deep (5/)	143	143
Chartered (15/)	143	143	143	Rio Tinto (45)	496	496
Burma Corp. (Rs. 10/)	84	84	84	Sanjo Asiatic (2/6)	143	143
Central Provinces (£1)	54	54	54	Siamese Tin (5/)	143	143
Geduld (£1)	34	34	34	Sub-Nigel (10/)	34	34
Johan. Cons. (£1)	23½	23½	23½	Tanganyika (£1)	24	24

has not yet taken place, and the banks are entering the period of peak demand for business and agricultural credit facilities (i.e., from mid-July to October) without the customary element of elasticity in their resources. Viewed in this context, the latest rise in the Chicago rate—the third in the last few weeks—takes on the appearance of a definite warning that the Reserve banks are fully determined to enforce their will in this matter. Sound financial opinion in America will probably be behind them in this decision. The London Stock Exchange would probably be well-advised to consider in good time its implications.

Bank Dividends.—As generally anticipated, the interim dividends announced by the British joint-stock banks and the discount companies for the past half-year show no changes, as may be seen from the table below:—

	Per Cent. per Annum.							
	1921	1922	1923	1924	1925	1926	1927	1928
Barclays Bank "B" shares....	14	14	14	14	14	14	14	14
Lloyds	16½	16½	16½	16½	16½	16½	16½	16½
Martin's	16	16	16	16	16	16	16	16
Midland Bank	18	18	18	18	18	18	18	18
Westminster Bank	20	20	20	20	20	20	20	20
Manchester and County	15	15	16½	16½	16½	16½	16½	16½
District Bank	18½	18½	18½	18½	18½	18½	18½	18½
National Provincial Bank	16	16	16	16	16	16	16	16
Williams, Deacon's "A"	12½	12½	13½	13½	13½	13½	13½	13½
Alexanders Discount	15	15	15	15	15	15	15	15
National Discount "A"	12½	12½	10	10	10	10	10	10
Do "B"	..	..	18	18	18	18	18	18
Union Discount	14	15	15	15	15	15	15	15

† On old capital.

The banks publish no details as to profits earned during the first half of the year, and little can be deduced from the interim dividends beyond the fact, already known, that the position remains satisfactory. The maintenance of a 4½ per cent. bank rate means that the banks should have obtained a satisfactory return on their advances, while the fact that short money is lent by the clearing banks at a minimum of 3½ per cent. suggests that they have retained a one-point margin between short loans and deposits. Discounts must have gradually proved less remunerative as the half-year progressed, but the further slight advance in gilt-edged stock prices should have added to their inner reserves. The half-year's dividend announcements naturally had no marked effect on bank share values. The latter have, indeed, been without definite trend for some few weeks, though there has been an appreciable rise in price over the past half-year, as the following table shows:—

	1927.		1928.		Prices in 1928.		Yield at Last Price.
	Hgst.	Lwst.	Hgst.	Lwst.	Jan. 1.	July 10.	
Barclays "B" (£1)	22½	22½	24½	23	22½	24	4½
Lloyds £5, with £1 paid	3½	3½	3½	3½	3½	3½	3½
Do "B" fully pd. £1	1½	1½	1½	1½	1½	1½	1½
Martin's £1, fully paid ..	..	..	3½	3½	3½	3½	3½
Do £20, with £24 paid	9½	8½	9½	9½	9½	9½	4½
Mid. £12, with £24 paid	9½	8½	10	9½	9½	9½	4½
Do £24, fully paid ..	4	3½	4½	3½	4½	4½	4½
Do £1, fully paid ..	13½	12½	14½	13½	14½	14½	5½
Nat. Prov. £20, with £24 paid	7½	6½	7½	7	7½	7½	5½
Westminster £20, with £25 paid	19½	18½	20½	19½	19	20	5
Do £1, fully paid ..	2½	2½	2½	2½	2½	2½	4½

The yield on high-class banking shares to-day is, in many cases, only fractionally higher than that on Government stocks—a fact which testifies to the confidence of the investing public generally in the soundness of British banking policy.

Mond Nickel Company.—The remarkable rise in the shares of this company—an active business has been done in the £1 ordinary this week at around 178s 6d, as compared with a low point of 36s 9d last year—has been attributed to various causes. The report for the twelve months ended April 30th last suggests that while the general boom in industrial securities, great expectations of the contents of the Frood Mine, and the personality of the company's chairman, Lord Melchett, may have contributed to its popularity, the latter has, to a considerable extent been based on the sound foundation of increased earning power. The company refines at its works at Cly-

dach, near Swansea, concentrates obtained from its Ontario mines, exploits Dr Ludwig Mond's patents relating to the extraction of nickel, owns the capital of various subsidiaries (including Henry Wiggins, the nickel goods manufacturers, of Birmingham, and the America Mond Nickel Company), and is interested in a syndicate which is investigating and developing mining properties in British Columbia. Net profits suffered a set-back in 1926-27, but last year, as will be seen from the annexed table, they recorded a marked advance, earnings on the £900,000 ordinary capital being at the rate of over 33 per cent. :—

YEARS ENDED APRIL 30.			
	1926.	1927.	1928.
Gross profits	£ 574,371	£ 528,730	£ 776,833
Net profits (after deducting debenture interest, general charges, and directors' fees)	403,783	374,976	562,808
Preference dividends	236,370	262,500	262,500
Ordinary			
{ Earned per share	18-6%	12-5%	33-3%
{ Paid Rate tax payable	12-5%	12-5%	27-5%
{ per Equivalent rate after	10-0%	10-0%	22-0%
{ share deducting tax	112,500	112,500	247,500
{ Amount of dividend	..	15,000	16,125
Undistributed profits	..	..	40,000
{ Debenture stock reserve ..	..	..	..
{ Reserve	..	..	..
{ Other items	..	..	..
{ Inc. or dec. in amount ..	..	..	..
{ carried forward	2,078	15,023	3,317

a Expenses of capital issues written off.

The demand for nickel, it is stated, continues to grow, last year's deliveries being 50 per cent. in excess of those of 1926-27. "Steps have been taken" to secure increased production in the immediate future. Profits for 1927-28 have been struck after providing £50,000 to cover the loss incurred by a subsidence at one of the company's smaller mines, and other contingencies, but, "following the usual practice of the company," no provision has been made for depreciation of buildings, plant and machinery, "which have been fully maintained." The ordinary shareholders have this week consented to the splitting of each £1 share into two of 10s denomination, and to the creation of 1,200,000 new 10s shares, 600,000 of which are to be issued to shareholders forthwith at a price of £3 5s. The proceeds will be used to meet the cost of opening up and equipping the Frood Mine (which is expected to reach the production stage by the middle of 1930), and of erecting additional smelting and refining plant, any balance being retained for further increase of plant and as working capital. The highest and lowest quotations of the £1 ordinary shares for some years past are shown below:—

Calendar Years.		1925.	1926.	1927.	1928 (to date).
Highest	48/	..	45/7½	..	151/10½
Lowest	35/6	..	34/6	..	36/9½

At their present price, including 4s final dividend (to be paid on August 1st), the ordinary shares give a yield of £3 1s. The company's prospects are good, but the current quotation appears to discount not only increased earnings for some time to come, but the possibility of an amalgamation or working arrangement being made with the International Nickel Company of America.

Bengal Iron Recovery.—After four years the Bengal Iron Company has returned to the ranks of ordinary dividend-paying concerns, the accounts for the year ended March 31st last showing an increase of 60 per cent. in gross and of over 80 per cent. in net earnings, as compared with the previous year, permitting of the distribution of an 8 per cent. dividend, after the payment of a year's preference arrears, and the writing-off of £65,000 to cover special depreciation and repairs rendered necessary by the enforced stoppage in 1925-26. This noteworthy improvement in the company's financial position must be attributed to the enhanced prosperity of the company's own works and of its subsidiary, the Indian Iron and Steel Company, the latter concern having contributed nearly half the gross earnings shown in the accounts. The following table contrasts the results of the past three years:—

	Year Ended March 31,		
	1926.	1927.	1928.
Gross profit—	£	£	£
Bengal Company	34,193	163,188	241,193
Indian Iron and Steel Co.	..	126,456	223,976
Total	34,193	291,644	465,169
Net profit, after deducting depreciation, debenture interest, and amount payable to Indian and Steel Co. in 1928 ..	Dr 70,547	177,261	322,947
Preference dividends	nil	37,500	* 75,000
Sinking unds, taxation reserve, &c.	31,285	36,617	28,139
Special allocations	nil	nil	† 65,000
Ordinary Capital			
{ Earned per share	..	..	9%
{ Paid per share	..	..	8%
{ Rate tax payable	..	..	..
{ Equivalent rate	..	..	..
{ after deducting	..	..	..
{ U.K. Income Tax	..	..	..
{ Amount of dividend	..	..	6-4%
{	..	..	126,000
Increase or decrease in amount carried forward	102,132	+ 177,255	+ 15,37

* Including one year's arrears. † Special depreciation, repairs, &c.

Whether the forthcoming year will continue the story of progress and recovery remains to be seen, the directors' report stating that the foundries are "somewhat short of work at the moment, while the coal trade side of the company's activities remains depressed." The exceptional payments out of profits, totalling £102,500, mentioned above, will not, of course, arise next year, but the directors may well consider the advisability of making a beginning with the accumulation of a general reserve, which is conspicuously lacking in the balance-sheet at present. As to the question of protection in the Indian iron and steel industry, the directors' report is silent. The balance-sheet, which is summarised elsewhere, records an increase of working capital (i.e., surplus of "quick" assets over current liabilities) from £616,862 to £760,378 over the past year. The directors are acquiring 96,950 shares in the Eastern Light Castings Company in exchange for 19,390 Bengal Iron ordinary shares, and will then hold 194,900 of the total of 195,900 shares issued by the Eastern Company. The extent to which the Bengal Iron Company's rehabilitation has been reflected in the valuation of its ordinary capital may be gathered from the following table of London highest and lowest quotations since 1925:—

	Calendar Years.				1928.
	1925.	1926.	1927.	(to Date).	(to Date).
Highest	1	1½	1½	1½	1½
Lowest	8	11	11	11	11

At their present price of £1 9-32 the shares give a yield, on last year's dividend, of £6 5s per cent. The prospects for ordinary shareholders should be read in the light of the remarks made above.

British Celanese Finance.—Shareholders of British Celanese, Limited, will read the directors' report for the twelve months ended February 29th last with mixed feelings. Broadly, while the company's recent success in obtaining popular favour for its acetate silk products is reflected in a gratifying increase of net profit to £864,889 (as compared with £223,194 in 1926-27 and £138,995 in 1925-26), the directors find it necessary to raise fresh capital for the company's operations, and to ask the 7½ per cent. cumulative participating preference shareholders to make considerable sacrifices as a means to that end. The latter are, in fact, requested to forgo dividend arrears aggregating £1,487,500, to accept a status junior to that of £3,500,000 new first preference capital (of which £2,000,000 will be issued at par), to give up their rights to 25 per cent. of the participation in the equity of the company, and to relinquish normal voting rights. Thus, bluntly stated, the total sacrifice appears considerable, and the impression is not seriously modified by a perusal of the terms of compensation offered, which comprise an additional non-cumulative dividend of 2½ per cent., payable out of one-fourth of available surplus profits, a bonus of one new ordinary share for every three preference held, and the right to subscribe, *pro rata* with the existing ordinary shareholders and second mortgage

debenture-holders, to an issue of 356,000 new £1 ordinary shares at £3 each. The nature of the verdict given on this scheme will, in practice, depend on the view taken by the average shareholder of the company's prospects—whether, in short, such a shareholder regards a quotation of 75s as unduly high for a 10s share which has never received a dividend in a company which, out of total assets of £11,933,807, values its goodwill and patents at £1,888,414 and commutation of royalties at £1,096,600; or is impressed by the undoubted excellence of the company's characteristic products, the knowledge and vigour of its chairman, Dr Henry Dreyfus, and the probability that the company's programme of plant and works extension will bear fruit during the present financial year. On the latter question the evidence of the report itself is inconclusive. The plant for doubling the capacity of last autumn is completed, while the plant for trebling the capacity "is approaching completion," and "will be gradually put into operation as sales demand it." As these extensions were already financed by a second mortgage bond issue of £2,500,000 last year, it would seem that the directors, in proposing a new issue of first preference and ordinary shares for cash, intend to pursue an active policy of extension of the company's interests, in view of increasing competition in the artificial silk trade. It would have been the more desirable, therefore, had the board seen its way to indicate how far the forecast, made last autumn, of a net profit of £400,000 a month by the middle of this year has been realised, or, if deliveries of new machinery have fallen behind their schedule, the approximate date at which the company's earning power is likely to reach this stage. Altogether, it appears to be premature to regard British Celanese as having completely overcome the formidable difficulties which have confronted it for the last eight years, though the outlook is better than at any previous period. The ordinary shares are unlikely to regain in the near future the 1927 high level of 124s, and even at their present price are to be regarded mainly as Stock Exchange counters—possessing distinct possibilities, but nevertheless essentially speculative in character.

Imperial Chemical Issue Oversubscribed.—The issue of new shares by Imperial Chemical Industries, which was announced by the chairman at the annual meeting on May 31st last, opened on June 15th, and closed on July 6th, has elicited a decidedly satisfactory response from the company's shareholders. The offer comprised 3,363,855 ordinary £1 shares, at 33s, and 2,242,570 deferred shares of 10s at par, and was made in the first place to ordinary shareholders registered on May 7th in the proportion of three ordinary and two deferred shares for every 30 ordinary held, but the holders both of ordinary and deferred shares were permitted to apply for any balance which might remain after the ordinary proprietors had exercised their rights. The total applications, in fact, reached a value of over £11,000,000, and as the proportion of rights unexercised was very small, the company has endeavoured to obviate possible heartburnings on the part of unsuccessful applicants by allotting all surplus shares to employee shareholders of the company. No separate letters of regret will therefore be posted. The actual amount of new capital to which the decision applies is probably of minor importance, but the step has a certain interest—viewed in relation to other measures recently incepted by the company for affording its workers an interest in its capital ownership—as an example of the granting of "preference" to employee shareholders in a sphere which has previously been regarded as the capitalists' *par excellence*. The quotations for both ordinary and deferred shares have been steady over the last few weeks. On May 31st, after the chairman's announcement, they stood at 1¼ and ¾ respectively. To-day *ex rights*, the quotations are 1½ and 1½ respectively.

Harrods and Evans Fusion.—Those shareholders of D. H. Evans and Co., Limited, who were reported to be not altogether satisfied as to the adequacy of the offer made by Harrods, Limited, for their holdings (*vide the Economist* of June 23, 1928, page 1275) have refrained from carrying their opposition to the scheme to extreme

lengths. An official announcement has been issued by Harrods to the effect that, whereas the consent of holders of not less than 85 per cent. of D. H. Evans' ordinary capital was necessary to the completion of the scheme, the proportion of acceptances has been as high as 92 per cent. The offer accordingly becomes definite and binding. There is general agreement that the price paid by Harrods was no by no means excessive, despite the tendency towards a slight shrinkage in the earnings of D. H. Evans over the last two or three years. Shareholders in both companies will await future events with interest, in order to discover whether Harrods intend to develop D. H. Evans as a subsidiary of their own business, or to regard the shares rather as an investment, to be realised when a favourable opportunity offers, following the precedent of their purchase and subsequent resale of Swan and Edgar.

Underground Traffic.—While the traffic returns of the four main trunk railways continue to fall to a disquieting extent, those for the underground groups, including the London tubes, the District Railway and certain omnibus undertakings, give evidence of a welcome expansion. Receipts for the first half of 1928 totalled £7,406,400, as against £6,798,200 for the first half of 1927, the increase on last year thus being £608,200. This both explains and justifies the increase in the interim dividend from 2 to 3 per cent. It must be remembered that the underground traffic is purely passenger, and is also of a special character. During the rush hours the lines are worked to full capacity, as most members of the public know to their cost, and if this intensity were maintained during the whole day there would be a clear need for the widening and duplication of certain lines, for the improvements of certain junctions and similar ameliorative works, all demanding fresh capital. On the other hand, during the remaining hours of the day the lines are only partially worked, short trains being run, and in some cases terminated short of their full journey's end. It is clear that the peculiar nature of the traffic calls for the utmost vigilance by those responsible for its operation, and while the 1928 figures are a distinct measure of the success attained, the investor may care to remember that, just as there is a limit to the carrying capacity of the system, so is there a limit to its earning power.

Separator Company: a Stock Exchange Introduction.

—Much has been written of the abuse of the machinery of the Stock Exchange "introduction," by means of which new securities reach the investing public, not by way of the issue market and the prospectus or "offer for sale," but by way of preliminary Stock Exchange dealings and a Press advertisement "for information only." Though the method certainly lends itself to such evils as "market-making" and the suppression of inconvenient details by promoters of doubtful enterprises, it has at least proved itself a convenient instrument for the inception of dealings, during the last few months, in important foreign concerns whose shares have, not infrequently, proceeded to attain considerable popularity with the British public. One of these was Kreuger and Toll, another Swedish Electrolux, while in the last ten days the shares of a third important Swedish industrial company have been introduced in London—viz., Aktiebolaget Separator (Separator Company). This concern, founded in 1883, was a pioneer in the production of continuous centrifugal separators, which have contributed to the subsequent development of the dairy industry in many countries. More recently the centrifugal separator has been adopted for purposes of filtration and separation of liquids in other industries, where its field is obviously wide. The company has recently consolidated its position by the acquisition of 80 per cent. of the shares of one Swedish rival and by amalgamation with another. Its issued share capital totals 89,000,000 Swedish crowns (approximately £4,835,000) in 420,000 "A" shares, 320,000 "B" shares, and 150,000 7 per cent. cumulative preferred shares, all of 100 Swedish crowns, the "A" shares being entitled to one vote and the "B" shares to one-thousandth of a vote per share, but ranking *pari passu* as regards dividend, while each preferred share carries one-hundredth of a vote. The document from which the above particulars are taken is commend-

ably informative as compared with the meagre details too frequently furnished in "introductions," even, as in the present case, those of a solid character. Profits are shown to have risen from 2,857,996 Swedish crowns in 1923 to 8,639,402 in 1927, and dividends from 4 per cent. to 8 per cent. over the same years; but the earnings figures are apparently given before deduction of taxation payments. It is stated, however, that after allowing the sum of 1,000,000 Swedish crowns for taxes payable in 1928 and the full dividend on the preferred shares, the balance of last year's profits would have been sufficient to pay 10 per cent. on the company's ordinary capital. Application is to be made for a London official quotation for 110,000 "B" shares, which have been acquired by a London issuing house. The latter were introduced last week at well over £9 per share, and are still slightly above that level, which would appear to leave an ample profit margin for the "introducing" firm—which purchased the shares at the equivalent of £8 5s 4d each. On the basis of the present issued capital, British holders will jointly possess only 110 votes of a total of 421,820.

Transvaal Output in June.—The output of gold of the mines of the Transvaal for the month of June amounted to 862,363 ounces, as compared with 886,186 ounces produced in May, and 855,154 ounces in June, 1927. The following table shows the monthly output since the beginning of 1922—

	1922.	1923.	1924.	1925.	1926.	1927.	1928.
January.....	Fine Ozs. 639,728	764,469	796,768	823,632	796,270	839,782	843,857
February.....	704,370	760,617	753,925	733,924	779,339	779,339	816,173
March.....	761,586	795,571	823,472	834,340	860,511	860,511	877,380
April.....	511,338	743,651	768,923	787,519	803,303	824,014	825,907
May.....	629,786	786,564	809,003	813,249	849,214	894,479	886,186
June.....	675,697	755,309	773,053	780,251	852,145	855,154	862,363
Total 6 months.....	2,456,549	4,515,549	4,704,035	4,784,115	4,889,196	5,018,279	5,112,006
July.....	730,635	754,306	829,437	818,202	860,134	851,861	..
August.....	752,490	759,371	809,571	808,218	843,854	863,345	..
September.....	747,089	759,505	799,422	797,247	839,931	842,118	..
October.....	778,159	793,842	827,583	812,832	853,286	855,743	..
November.....	764,476	780,639	802,313	787,633	840,276	848,059	..
December.....	790,712	778,849	825,273	791,455	836,157	851,229	..
Total.....	7,020,110	9,133,060	9,597,634	9,599,702	9,562,852	10,130,630	5,112,006

The number of natives employed by members of the Witwatersrand Native Labour Association and Contractors over the past few months was as follows:—

	Nov., 1927.	Dec., 1927.	Jan., 1928.	Feb., 1928.	Mar., 1928.	Apr., 1928.	May, 1928.	June, 1928.
Gold mines.....	188,879	188,516	193,063	197,340	199,489	199,820	198,461	197,186
Coal mines.....	16,636	16,590	16,720	16,696	16,943	16,870	16,695	16,533
Diamond mines.....	4,329	4,668	5,167	5,664	5,742	5,650	5,189	4,839
Total.....	209,894	209,774	214,950	219,700	222,174	222,340	220,345	218,578

The number of natives employed in all branches of mining again shows a decline on the month.

NEW ISSUES OF THE WEEK.

THE new issue market has shown further symptoms of the approaching holiday period, the total offered to the public in the seven days ended July 12th being £4,687,000, against £5,733,285 in the previous week. Activity nevertheless remains above last year's level, the aggregate for the corresponding week of 1927 having been no more than £2,461,325. The Commonwealth of Australia will, however, augment next week's figures by an issue of £7,000,000. The lion's share of the new capital which the public has been invited to subscribe has this week been required for employment at home, the only overseas borrower in the week's list being the City of Brisbane, which issued £1,000,000 5 per cent. stock at 95½ for the development of water supply and sewerage services. Though the stock afforded the comparatively high yield of £5 4s 8d per cent. flat, or £5 5s 10d per cent. allowing for redemption, and the City of Brisbane could scarcely be regarded as an over-impudent borrower in London, the issue obtained a disappointing response, underwriters being called upon to take up 89 per cent. of the whole. The other seven emissions of the week, summarised particulars of which are given below,

cover a wide range of commercial and industrial activity, though the absence is noteworthy of several groups which have lately been prominently before the investors' notice, such as gramophone, film, and safety-glass concerns. Timothy Whites, a company established in 1848, owning a chain of chemist's shops in Southern England, offered 1,000,000 7½ per cent. cumulative preferred £1 ordinary shares and a like number of 1s deferred shares at par, the issue being oversubscribed by Tuesday morning. The terms were attractive, average profits for the last six years covering preferred dividends nearly twice and being sufficient to provide 23 per cent. on the deferred, though the issue terms left control of the business in the hands of the vendors, the directors, and friends, the former being entitled to 1,183,333 votes and the public to 816,667. A somewhat novel but successful issue was that of Richings Park Estate, a company formed with the dual object of developing suburban building properties and manufacturing a patent form of "cavity" block. Newspaper ownership was represented in the week's list by the public issue of 525,000 £1 ordinary shares of Financial Newspaper Proprietors, a company which is acquiring three old-established journals and a fourth inaugurated two years ago, together with a half-interest in the *Economist*. For fuller particulars as to the ownership of the *Economist* we would refer our readers to a special article appearing on page 55 of this number. The prospectus of Financial Newspaper Proprietors showed that the promoters were claiming a modest proportion of the economies hoped for as a result of amalgamation, the dividend on their £25,000 of management shares being limited to 6 per cent., but that, in accordance with precedent in newspaper issues, they retained a large share of voting control. Three years' adjusted profit figures were given, but no indication was afforded of the separate financial position of the individual newspapers taken over. Messrs. H. and G. Simonds, an old "family" brewing business with headquarters at Reading, offered £350,000 well-secured debentures, yielding slightly over 6 per cent., which were promptly oversubscribed. The remaining issues included an offer of ordinary shares and income-bonds, on reasonably attractive terms, by a company owning two West-End hotels depending mainly on the annual incursion of visitors to London; an investment trust with a board consisting of two directors interested in the Great Northern Investment Trust and four connected with British industrial concerns; and a company formed to exploit the Woodhall-Duckham process of coal carbonisation, whose shares will probably be of greatest interest to those familiar with the technical possibilities of a method as yet largely untried in this country.

The new issues of the week and the dates of opening of the lists have been as follow:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
Amount previously recorded, 251,270,328.				
ISSUES OF THE WEEK—				
NATIONAL SAVINGS CERTIFICATES.				
Net Sales, week ended July 7, 1928, Dr £50,000.				
Total Receipts April 1, 1928, to July 7, 1928, Dr £500,000.				
To the public—				
Timothy Whites (1928), 1,000,000				
7½% Cum. Pref. Ord., £1, at par (July 9)	1,000,000	1,000,000	100,000	900,000
Do 1,000,000 Def. Ord., 1s, at par	50,000	50,000	50,000	..

Grace National Bank

Hanover Square, New York, U. S. A.

Commercial banking. Execution of foreign orders in New York for European banking correspondents.

Special Representative

148 Leadenhall St.

London, E.C.3.

	£	£	£	£
City of Brisbane (Queensland), £1,000,000 5% Stock, red. Sept. 1, 1950-1960, at par, issued at 95½ (July 6).....	1,000,000	955,000	50,000	905,000
Financial Newspaper Proprietors, 525,000 Ord., £1, at par (July 13).....	525,000	525,000	65,625	459,375
Midland-Caledonian Investment Trust, 50,000 Ord. Shares, £10, at par (July 9).....	500,000	500,000	25,000	475,000
Richings Park Estate, £300,000 7½% Deb. Stk., at 98½, red. at 102½, June 30, 1938 (July 10) Do 372,500 8% Cum. Pref. Ord., £1, at par.....	300,000	294,000	15,000	279,000
Do 372,500 8% Cum. Pref. Ord., £1, at par.....	372,500	372,500	46,562	325,938
Do 450,000 Def. 1s, at par.....	22,500	22,500	..	..
H. and G. Simonds (Reading), £350,000 6% Deb., at 99½, red. at par (July 1928) (July 16) Robens-Benzol and Associated Hotels, 205,000 Ord. £1, at par (July 10).....	350,000	343,000	35,000	308,000
Do 205,000 7% Cum. Income Bonds, at par.....	205,000	205,000	25,625	179,375
British Benzol and Coal Distillation, 400,000 8% Cum. Ptg. Pref. Ord., 10s, at par (July 9) Do 400,000 Def. 1s, at par.....	203,000	200,000	50,000	150,000
Do 20,000	20,000	20,000	..	..
Total offered to the public.....	4,687,000	525,312	4,161,688	..
To Shareholders only—				
Lyons (J) and Co., 1,000,000 7% Pref., £1 at 22s 6d.....	1,000,000	1,125,000	375,000	750,000
Gaumont-British Picture Corp., 690,000 Ord. Shs., 10s, at 30s.....	345,000	1,035,000	345,000	690,000
Scottish United Investors, 20,000 Shares, £10, at £12s.....	200,000	250,000	125,000	125,000
Alliance Investment, 100,000 Deferred, £1, at par.....	100,000	100,000	25,000	75,000
Hall and Co., 11,250 Ord., £1, at par.....	11,250	11,250	11,250	..
Do 13,750 6% Pref., £1, at par.....	13,750	13,750	1,719	12,031
Lake View and Star, 100,000 Shares of 4s, at 15s.....	20,000	75,000	75,000	..
London County Freehold and Leasehold Properties, 300,000 Ord., £1, at 22s 6d.....	300,000	337,500	112,500	225,000
Mergui Crown Rubber Estates, £25,000 7½% Conv. Def. Stock, at par.....	25,000	25,000	6,250	18,750
Parkinson and W. and B. Cowan, 100,000 Ord., £1, at 24s.....	100,000	120,000	12,500	107,500
Do 50,000 7% Cum. Pref., at 20s 6d	50,000	51,250	51,250	..
Rogo Clothiers, 51,407 7½% Cum. Pref., £1, at par.....	51,407	51,407	51,407	..
Trust Union, 40,000 Ord. £1, at par.....	40,000	40,000	40,000	..
Do 40,000 4½% Pref., at par.....	40,000	40,000	40,000	..
United Glass Bottle Manufacturers, 100,000 Pref. Ord., £1, at par.....	100,000	100,000	12,500	87,500
Total to shareholders only.....	3,375,157	1,284,376	2,090,781	..
Total offered for subscription to date in—				
1928.....	259,282,485	1927.....	355,165,970	..
1927.....	225,072,418	1926.....	230,782,001	..
1926.....	136,973,561	1925.....	232,214,500	..
1925.....	119,729,428	1924.....	209,326,100	..
1924.....	120,568,680	1923.....	271,393,173	..
1923.....	196,384,645	1922.....	573,675,650	..

Comments on the new issues, summarised below, will be found at the head of this section.

British Government.—Holders of 5 per cent. Treasury Bonds 1933-35 have been notified that, under the terms of the prospectus of December 22, 1927, they may convert their holdings, in whole or in part, into 4 per cent. Consolidated Loan between July 16 and 31, 1928, receiving £117 Consolidated Loan for each £100 nominal 5 per cent. Treasury Bonds. Interest on the Treasury Bonds converted will cease on August 1, 1928, and six months' interest on the Consolidated Loan will be paid on February 1, 1929. Holders who do not convert on this occasion will have the further option of converting between January 16 and 31, 1929, receiving £114 10s Consolidated Loan for each £100 nominal of 5 per cent. Treasury Bonds.

City of Brisbane.—Issue of £1,000,000 5 per cent. stock at 95½, redeemable 1960, or at borrower's option after 1950, a sinking fund of 1 per cent. being provided. The loan is secured on the rates and revenues of the city, and the proceeds will be used for water supply and sewerage services. Brisbane has an estimated population of 260,000 with lands of an unimproved capital value of £22,260,000, on which the present annual rate is £966,562. The existing loans amount to £15,551,311, including £2,000,000 borrowed in connection with the taking over of the Brisbane tramways. The revenue of the city last year was £2,782,252 and the expenditure £2,924,364, including sinking fund payments.

Timothy Whites (1928), Limited.—Issue at par of 1,000,000 (out of 1,200,000) 7½ per cent. cumulative preferred £1 ordinary shares, and 1,000,000 (out of 6,000,000) 1s deferred ordinary shares. The vendor has subscribed for the remaining 5,000,000 deferred at a premium of £100,000. The company takes over as from June 30 last year a wholesale and retail chemist's business originally established in 1848, with net assets of £1,350,000 (including £318,007 goodwill), for a purchase price of the same figure in cash, subject to share subscription above. Profits given since 1922, have been (to June 30): 1924, £164,620; 1925, £151,197; 1926, £156,288; 1927, £150,294.

Richings Park Estate (1928), Limited.—Issue of £300,000 first mortgage 7 per cent. debenture stock at 98,

372,500 (out of 422,500) 8 per cent. cumulative preferred £1 ordinary shares at par, and 450,000 (out of 500,000) is deferred shares at par. The company will develop properties round London as building estates, and is taking over assets valued, net, at £380,122, exclusive of goodwill, for £380,000 in cash. The vendors have underwritten £316,250 of capital.

Financial Newspaper Proprietors, Limited.—Issue at par of 525,000 £1 ordinary shares. There are also 25,000 management shares of £1, entitled to 6 per cent. after a like payment on the ordinary, but no further participation. Voting power, one vote per ordinary and twenty per management share. The company acquires the *Financial News*, the company owning the *Journal of Commerce*, the *Investor's Chronicle*, the *Banker*, with its supplement, the *Underwriter*, and one-half the share capital of the *Economist* newspaper, with the *Investors' Monthly Manual*. The net purchase consideration (excluding the price of assets which are not being returned) is £510,000 in cash. The average adjusted profits for the three years ended March 28th last amount to £48,911, and during the last financial year were £69,468.

Midland-Caledonian Investment Trust, Limited.—Issue at par of 50,000 (out of 100,000) £10 shares. The company has been formed to carry on the usual business of an Investment Trust. Not more than 10 per cent. of the issued share and debenture capital can be invested in any one security (with certain exceptions), and borrowing powers, except for temporary purposes are limited to the outstanding share capital and reserves. The issued capital, when fully paid-up, will be divided into 5 per cent. preference and ordinary stock in the proportion of 6 to 4.

Rubens-Rembrandt Associated Hotels, Limited.—Issue at par of 205,000 (out of 225,000) £1 ordinary shares and £200,000 7 per cent. cumulative income bonds. £100,000 first mortgage 3½ per cent. debentures will be allotted in part payment of the purchase consideration. The company acquires two London hotels as going concerns, the undertakings being valued at a total of £492,160. The purchase price is £468,611, of which £368,611 will be satisfied in cash. Profits (to March 31st) have been: 1925, £50,392; 1926, £49,961; 1927, £44,295; 1928, £50,184.

H. and G. Simonds, Limited.—Issued capital 168,200 5 per cent. cumulative £1 preference shares and 450,200 (out of 540,240) ordinary £1 shares, with £275,000 (out of £348,280) 4 per cent. mortgage debenture stock. This is an issue of £350,000 6 per cent. redeemable debenture stock at 99, part of an authorised issue of £400,000, redeemable by a yearly cumulative sinking fund on or before July 1, 1958. The stock is secured by a first specific charge on properties valued at £357,025, a second specific charge on properties valued at £833,616, and a second floating charge after the 4 per cent. debenture stock.

British Benzol and Coal Distillation, Limited.—Issue at par of 400,000 8 per cent. cumulative participating preferred ordinary shares of 10s and 400,000 (out of 1,000,000) deferred of 1s, the preferred being entitled to one-fourth of surplus after payment of 8 per cent. on deferred. The company will install a coal carbonisation plant in accordance with a specification prepared by the Woodhall-Duckham Vertical Retort and Oven Construction Company, at Bedwas, Monmouth. The company is paying the vendors £22,500 and allotting them 450,000 deferred shares at par for cash.

Particulars of the following have been issued for public information only:—**John Waddington, Limited**, issued capital £100,012, lithographers, printers and playing card manufacturers. **Parkinson and W. and B. Cowan, Limited**, issued capital £938,212, a holding company with interests in factories manufacturing gas cookers and electric meters. **New G. and S. Processes Syndicate, Limited**, issued capital 310,000 shares of 1s. The company exploits a patent in connection with safety-glass, &c. **Qualcast, Limited**, issued capital £125,000 in 5s shares. An old-established business manufacturing lawn mowers, precision iron-casings, &c. **Mashaba Rhodesian Asbestos, Company, Limited**, issued capital 500,000 shares of 5s. The company will acquire asbestos properties. **United Venezuelan Oilfields, Limited**, issued capital £347,699 in £1 shares. Owns concessions covering an exploitation area of 81,591 hectares, and an exploration area of 132,501 hectares in Venezuela. **West Midland Sugar Company, Limited**, issued capital £180,000, with £116,700 5 per cent. debenture stock guaranteed by H.M. Treasury. Operates a beet sugar factory at Kidderminster. **United Dominions Trust, Limited**, issued capital £250,000 in £1 shares. Formerly known as Continental Guaranty Corporation, Limited. Carries on "banking and other business." **Australian and General Asbestos Company, Limited**, issued capital £35,150 14s in 2s shares. Formed to work asbestos and other mineral properties, under four leases, in Western Australia.

Dividend Announcements, Summaries of Balance Sheets, Short Notices on Company Reports, &c., will be found on later pages of this issue.

WEEKLY TRAFFIC RETURNS. RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended July 6, 1928.	(c) Week ended July 7, 1928.	Miles Open.	Week ended July 8, 1928. (000's omitted.)					Aggregate 27 Weeks, 1928. (000's omitted.)				
			Passenger.	Merchandise.	Coal and Coke.	Total.	Total for Week.	Passenger.	Merchandise.	Coal and Coke.	Total.	Total Receipts.
Great Western ...	3,779	303	219	106	325	628	6,187	5,899	3,093	8,992	15,179	
Do for 1927 ...	3,779	319	224	126	350	669	6,301	6,239	3,506	9,745	16,052	
London & N. Eastern (c) ...	6,438	435	394	228	622	1,057	9,376	11,367	6,602	17,969	27,345	
Do for 1927 ...	6,406	437	415	249	664	1,121	9,742	12,143	6,981	19,124	28,866	
London, Mid. & Scotch ...	6,503	660	558	230	788	1,448	14,232	15,609	6,940	22,569	36,861	
Do for 1927 ...	6,511	656	595	283	878	1,574	14,521	16,751	7,844	24,595	39,116	
Southern ...	2,177	384	65	19	84	468	8,242	2,144	743	2,887	11,129	
Do for 1927 ...	2,177	397	80	32	112	509	8,293	2,342	894	3,236	11,529	
Metropolitan (c) ...	59	321	...	...	...	39	360	862.4	...	101.3	953.7	
Do for 1927 ...	58	309	...	...	...	40	349	818.6	...	103.5	922.1	
† Undergr'd. E. R. Co. ...	...	...	...	...	...	303.1	...	...	...	...	7,709.5	
Do for 1927 ...	...	...	...	...	...	280.1	...	...	...	...	7,078.3	
London & Suburban (c) ...	...	...	...	...	...	44.7	...	...	...	...	1,122.1	
Do for 1927 ...	...	...	...	...	...	41.2	...	...	...	...	1,034.9	
† B.I. & Co. D. W. N. B. ...	80	3.8	...	...	...	1.0	4.8	63.5	...	23.9	87.4	
Great Northern B. ...	562	16.7	...	...	...	13.2	29.9	327.2	...	442.5	769.7	
Great Southern B. ...	2,187	40.9	...	...	...	49.0	77.9	...	...	1,265.2	2,044.8	

† Includes receipts from independent omnibuses acquired during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1928.	+ or -	1928.	+ or -
INDIAN.							
Assam Bengal	10 weeks	June 9	1,111	Rs. 4,00,000	+ 37,574	Rs. 41,84,000	+ 2,03,218
Barel L. Ry.	11 weeks	16	118	28,600	+ 6,700	5,03,200	+ 147,400
Bombay & N. Western ..	11 weeks	16	2,082	6,83,101	+ 87,474	85,71,631	+ 5,32,599
Bombay-Nagpur	9 weeks	July 2	2,949	16,34,000	+ 1,95,881	1,60,27,000	+ 1,32,902
Bombay, Bar., & C.I.	13 weeks	June 30	3,022	20,44,000	+ 2,36,000	3,36,70,000	+ 26,89,000
Burma	10 weeks	2	1,349	7,21,851	+ 77,309	89,90,531	+ 2,05,045
Madras & B. Mahr	11 weeks	16	3,072	18,90,000	+ 2,26,083	2,23,90,000	+ 23,58,246
Nizam's Guaranteed.(a) ..	11 weeks	16	1,018	3,85,631	+ 35,390	47,34,768	+ 6,32,393
† Rohilk'd & Kumaon	11 weeks	16	569	1,27,735	+ 17,382	16,16,571	+ 1,97,081
South Indian	11 weeks	16	2,065	12,54,382	+ 24,919	1,38,98,756	+ 4,61,874

† Including Lucknow-Bareilly State Railway. (a) Total receipts of all lines.

ARGENTINE (a).							
Argentine N.E. ...	1 week	July 7	753	12,900	+ 1,400	12,900	+ 5,200
B.A. and Pacific ...	1 week	7	2,694	161,000	+ 27,000	161,000	+ 13,000
B.A. Central ...	1 week	8	...	14,710	+ 3,352	14,710	+ 3,352
B.A. Gt. Southern ...	1 week	7	4,720	209,000	...	209,000	+ 67,000
B.A. Western ...	1 week	7	1,926	90,000	...	90,000	+ 35,000
Central Argentine ...	1 week	7	3,305	246,000	+ 26,000	246,000	+ 26,000
Cordoba Central ...	1 week	7	1,218	75,000	+ 6,000	...	...
Entre Rios ...	1 week	7	728	19,600	+ 2,800	19,600	+ 4,100

CUBAN.							
United of Havana ...	1 week	July 7	1,301	47,061	+ 7,260	47,061	+ 21,757

† Figures include Havana Central Railway.

URUGUAYAN.							
Central Uruguay ...	1 week	July 7	273	25,541	+ 3,366	25,541	+ 5,819
C. Urug. (East, Ext.) ...	1 week	7	311	4,710	+ 307	4,710	+ 1,377
C. Urug. (North, Ext.) ...	1 week	7	185	2,738	+ 310	2,763	+ 705
C. Urug. (West, Ext.) ...	1 week	7	211	1,809	+ 46	1,809	+ 320

CANADIAN.							
Canadian National ...	26 weeks	June 30	19,135	17,157,203	+ 624,228	12,32,135,26	+ 8,775,843
Canadian Pacific ...	27 weeks	July 7	14,588	5,911,000	+ 577,000	10,103,300	+ 8,696,000

† Nine days.

BRAZILIAN (b).							
Gt. West. of Brazil ...	27 weeks	July 7	1,018	9,900	+ 1,000	358,200	+ 9,500
Leopoldina ...	27 weeks	7	1,856	49,916	+ 4,164	1,232,574	+ 287,747
Leopoldina Termal ...	27 weeks	7	1,856	293,000	+ 29,000	7,424,000	+ 395,000
San Paulo ...	27 weeks	8	1,534	53,843	+ 6,789	1,324,108	+ 142,088

CHILEAN.							
Antofagasta (Chili) ...	27 weeks	July 8	838	25,450	+ 10,530	912,980	+ 103,645
Nitrato (4-monthly) ...	26 weeks	June 30	402	27,258	+ 1,976	406,894	+ 107,850

OTHER OVERSEAS.							
Alcoy and Gandia ...	27 weeks	July 7	31	Ps. 25,000	...	779,200	+ 62,700
Egyptian Delta ...	9 weeks	June 17	608	£7,046	+ 64	56,020	+ 4,228
Gt. Southern of Spain ...	26 weeks	30	104	Ps. 90,276	+ 5,581	3,301,433	+ 562,842
Mexican Railway ...	32 weeks	July 7	432	\$238,200	+ 11,300	...	...
Paraguay Central ...	52 weeks	June 30	274	\$5,200	+ 140	230,490	+ 4,090
Salvador ...	1 week	July 7	103	\$4,824	+ 2,212	4,824	+ 1,107

(a) Converted at par. (b) Converted at the current rate of exchange.

Name.	Period.	Ending.	Present Mileage.	Receipts for Week.		Total Receipts.	
				1928.	+ or -	1928.	+ or -
Anglo-Argentine ...	27 weeks	July 8	349	£95,095	+ 12,501	2,401,999	+ 53,662
B. Aires Lacroix ...	1 week	7	...	£12,702	+ 1,724	12,702	+ 1,724
Burley Corporation ...	1 week	7	...	£3,117	...	...	...
Calcutta Tramways ...	1 week	7	...	Rs. 1,034	+ 3,127	...	...
Chatham & District ...	26 weeks	June 28	15	£1,383	+ 56	32,250	+ 2,365
Egyptian Markets ...	26 weeks	28	...	£1,371	+ 65	46,575	+ 279
Glasgow Corporation ...	52 weeks	30	134	£47,351	+ 210	202,744	+ 1,139
Isle of Thanes Trams ...	26 weeks	27	...	£2,205	+ 75	28,736	+ 707
Liverpool Corp. ...	13 weeks	30	124	£30,261	+ 1,919	383,777	+ 18,479
L.C.C. Tramways ...	14 weeks	July 4	164	£81,724	+ 1,092	1,127,143	+ 21,260
Pernambuco Tram ...	27 weeks	8	...	£5,244	+ 361	147,387	+ 7,135

† Tramway Receipts only.

COMPANY MEETINGS, &c.

THE P. AND O. BANKING CORPORATION, LIMITED.

PROGRESS OF THE BUSINESS.

CONDITIONS IN THE EAST.

MR W. E. PRESTON'S SPEECH.

The eighth ordinary general meeting of the P. and O. Banking Corporation, Limited, was held, on the 6th instant, at 122 Leadenhall street, London, E.C. Mr W. E. Preston (deputy-chairman) presided.

LORD INCHCAPE'S LETTER.

The Chairman said: Gentlemen,—Before we proceed to the business of the meeting I desire to read to you a letter which Lord Inchcape has addressed to me under date June 27, 1928:—

"My dear Preston,—On account of the recent tragic blow which my family has received, I do not feel equal to presiding at the annual general meeting of the P. and O. Banking Corporation to be held on July 6th. I am sure the shareholders will excuse my absence from this meeting in the circumstances. The interest which I have always taken in the bank, whose welfare has had the first call upon me, is unabated, and I confidently anticipate that the bank has an important and independent future before it. It will be my care and wish, as it has always been in the past, to forward the interests of the bank in all respects to the best of my power. Would you then, in the circumstances, take the chair at the annual meeting in my absence, and assure the shareholders, to whom I should like this letter to be read, of my deep regret at not being able to meet them this year as I have done in each of the last seven years."

I need hardly say, gentlemen, that I voice your feelings when I say how very deeply and sincerely we all regret the circumstances which have occasioned our chairman's absence from us this afternoon, and, with your permission, I propose to ask our secretary to convey those regrets to his Lordship in writing.

A VOTE OF CONDOLENCE.

Mr E. T. Hargraves: May I be allowed, Sir, on behalf of the shareholders, to say how much I echo what you have said with regard to Lord Inchcape? I should like to suggest that we should rise in our places and pass a silent vote of sympathy and condolence to Lord Inchcape and his family in the irreparable loss which they have sustained. Will those gentlemen who support me in that suggestion kindly rise? The meeting then stood for a moment in silence.

THE ACCOUNTS.

The report and accounts having been taken as read, the Chairman said, commenting on the balance-sheet, that the totals this year were £18,500,000 as against £16,900,000 in 1927. Last year Lord Inchcape had had occasion to point out that the figures differed from those of 1926 owing to book parities, but there was no such question this year, the turnover showing a genuine increase over the 1927 figures.

With regard to the individual items in the balance-sheet, their cash had gone up from £1,655,000 to £1,861,000; bills receivable were £4,600,000, against £4,300,000 in 1927; investments, £2,900,000 against £2,297,000. Amongst those investments the reduction of Indian Government securities to £548,000, as against the 1927 figure of £1,071,000, represented a good move on their part, because they had had to write off a certain amount for depreciation of the Indian Government securities which otherwise would have gone to the benefit of the profit and loss account.

Their Allahabad bank holding stood unchanged at £589,569. The business of the Allahabad bank was proceeding most satisfactorily under the able management of the new manager, Mr Lamb.

In loans against security there was little or no change; advances to customers were slightly in excess of the 1927 figures.

The capital account remained unchanged. In this connection he referred to Lord Inchcape's private circular of October 17th last, in which he submitted to shareholders an offer made by the Chartered Bank of India, Australia, and China to purchase a block of P. and O. shares on specified conditions. They, the shareholders, would be interested to know that holders had availed themselves of the opportunity to the extent of 208,601 shares.

Their profit and loss account total amounted to £127,012 4s 8d, and included £19,380 5s 2d brought forward.

TRADE CONDITIONS IN THE EAST.

Whilst the crop conditions in India during the period had been satisfactory trading conditions had not, and competition in their particular markets had been ultra keen, profits having in many

cases shaded away to vanishing point. Whilst conditions in China move slowly, he thought he was justified in saying that the movement was in the right direction, but the fall in rubber and tin prices in the Straits had naturally been reflected in the volume of business there.

On the whole, profitable trading in the respective spheres in which this bank operated had been somewhat difficult, and this led him to speak of the tribute due to their general manager, to his colleagues, and to the eastern officers and their respective staffs for the great care and attention which they had given to the satisfactory conduct of the affairs of the bank.

The report and accounts were adopted, and it was resolved that a dividend of 5 per cent. per annum, less income-tax, at 3s 6d, be paid on July 13, 1928.

whole or any part of the allotment at current market prices. Another advantage in this form of distribution is that we are advised that these shares are not liable in your hands either to income-tax or surtax. These are the present advantages which will accrue to you. As regards the future, the cash represented by the new shares will increase the company's capital, and therefore increase our business and profit-earning capacity, and I can assure you that the prospects ahead will enable us to use profitably all the additional capital we command.

BRITISH COLUMBIA ELECTRIC RAILWAY.

Those of you who have followed the proceedings of our annual meetings year by year will not be greatly surprised at the satisfactory result of the realisation of our holding in British Columbia Electric Railway Company's securities. We have been invited to represent the new British Columbia Power Corporation as London agents, and I am glad to say that we also have other interests in British Columbia, where we hope to have opportunities in the future of still further increasing our interests.

Although the sales of lumber and the prices realised showed a decrease in 1927 as compared with 1926, the Canadian Western Lumber Company was able to show substantial profits, and it is gratifying to report that not only was the company able to provide the current interest on the 5 per cent. first mortgage debenture stock and 5 per cent. cumulative income debenture stock, but was also able to provide $\frac{5}{8}$ per cent. in cash towards payment of arrears of interest on the latter debenture.

There is little I can add to the remarks which I made last year regarding the Monterey Railway, Light and Power Company. This company has met its obligations in respect of the interest and sinking fund on the 5 per cent. "A" first mortgage debenture stock.

CANADIAN AND FOREIGN SECURITIES COMPANY, LIMITED.

This is a well-managed Canadian investment company with a strong board of directors. Its investments at the end of the year 1927 consisted of Government and municipal bonds, first mortgage bonds and debentures of railway, public utility and industrial companies, foreign Government bonds and preferred and common shares. During the year the company redeemed \$421,435 of its 6 per cent. first charge debenture stock, thereby reducing the debentures outstanding from \$1,200,000 to \$778,565. In order to take advantage of the growth and development of Canada and the opportunities for profitable investment, the shareholders at the last annual meeting increased the authorised capital of the company from 300,000 shares of no par value to 600,000 shares of no par value.

We understand that it is the intention of the company to give the present shareholders the first opportunity of subscribing for the new shares as and when the company decide to issue the same.

WINNIPEG ELECTRIC COMPANY.

The Winnipeg Electric Company continues to make satisfactory progress. The net income of the company for the year 1927 was \$1,151,207, as compared with \$958,119 for 1926—an increase of over 20 per cent. Sixty million passengers were carried, as compared with approximately 58,000,000 during the preceding year. An additional 40,000 shares of common stock were offered to existing stockholders at the price of \$60 per share, all of which shares were taken up, and subsequently the whole of the common stock of the company was changed from shares of \$100 par value to shares of no par value. The company maintained its dividend of 7 per cent. on the cumulative preferred stock, paid dividends amounting to \$2 per share on its common stock, and substantially increased its surplus.

The year ended December 31, 1927, proved a successful one for the Canadian Western Natural Gas, Light, Heat and Power Company, its net profits for that year being approximately \$547,000, an increase of slightly over 20 per cent. on the previous year.

Finally, I wish to say a word with regard to the West Gloucestershire Power Company, Limited. The company continues to make progress in the sale of electricity, 8,883,700 units having been sold in 1927, an increase of 1,460,027 units over the previous year. The revenue received also increased by £4,578 19s 5d over the previous year.

Mr T. Blundell Brown seconded the resolution, which was carried unanimously.

Following the conclusion of the ordinary business of the meeting, a resolution was proposed and unanimously passed altering the articles of association in such manner as to authorise capitalisation of undivided profits and the distribution of such in the form of paid-up shares, &c., of the company. The object of this resolution was to enable the distribution of £90,677 os 3d in the form of a bonus to the preferred ordinary and deferred ordinary shareholders.

NATIONAL BANK OF NEW ZEALAND, LIMITED.

RESULTS OF A DIFFICULT YEAR.

The 56th ordinary general meeting of the National Bank of New Zealand, Limited, was held, on the 11th instant, at 17, Moorgate, London, the Hon. William Pember Reeves (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said:—Our paid up capital is £2,000,000, and our reserve fund stands at the same figure. Note circulation at March 31st, £1,173,482, was normal, and has ruled so throughout the year. The average circulation of all the banks in New Zealand during the year was £6,453,265, and they had the right of issue up to £12,910,992. The relative figures for the previous year were £6,674,000 and £12,818,000 respectively. Our liability under deposits and current accounts is £12,088,000, an increase of £805,000 over last year's figures. This is almost entirely in fixed deposits, and reflects the rise in the rate of interest which, in common with other banks in New Zealand, we offered for deposits of two years and upwards. On the other hand, bills payable and other liabilities are down by £629,000.

On the assets side, coin, bullion, cash at bankers, and money at call show an increase of £683,000. Investments have gone up from £1,070,573 to £2,129,749. Bills receivable are £3,732,394, or an increase of £322,000 as compared with March 31, 1927. You will observe that advances have dropped by no less than £980,000. The Dominion is only just beginning to recover from the adverse conditions of 1926 and 1927, to which I referred in my remarks last year.

YEAR'S PROFIT.

Turning to the profit and loss account, our net profit is £290,000, as compared with £312,000 in the previous year, and this after paying a bonus of £15,000 to the staff, while £10,000 has been placed to pension and gratuity funds.

The fall in our profits, though not large, may cause you to regard the results of the year's working as somewhat less satisfactory than those we are usually able to lay before you. In explanation I may point out that the recent improvement in New Zealand trade, about which I shall have something to say later on, did not set in until last November. It came at the end of two years of pronounced depression, which naturally affected both our business and our policy. During the year under review we felt constrained to pursue as conservative a policy as was possible, subject to reasonable regard for the interests of our clients. The result was the considerable fall in our advances which you have noticed in our balance-sheet. At the same time, as I have said, deposits increased.

Our exchange business at the New Zealand end has been large, reflecting in this the increased value of the country's exports. On the other hand, the diminution of imports into New Zealand, while in itself a necessary step and good for the Dominion, has made the transmission of money from London to Wellington somewhat difficult during the latter part of the year. The exchange rates, too, have been low, and the moderate increase made some months ago came too late to have much effect on the year's profits. I mention these few points as showing some of our passing difficulties, but we have a business which is not only large, but sound; the position of our bank is excellent, and there is good reason to anticipate that the improving position in the Dominion will be felt by our institution just as it should be felt by others. Your directors have, therefore, decided to pay you the usual bonus of 2 per cent. in addition to dividend for the half-year at the rate of 12 per cent. per annum. The carry-forward, at £166,000, is £10,000 less than last year.

GOOD TRADE FIGURES.

The banking averages for the six banks in New Zealand showed a marked improvement during the year, particularly in the quarter ended March 31, 1928. Any continuance of this improvement will, of course, depend on the state of trade. Of that I can only say that the latest figures are extremely good. The excess of exports over imports for the first five months of this calendar year has been nearly £16,750,000. Of course, you will remember that the early months of the year are those in which exports always exceed imports, but the excess this year is no less than £8,426,000 greater than that in the corresponding months of last year, and is undoubtedly a very gratifying and hopeful sign. A telegram in yesterday's *Times* states that the figures for the sixth month of the year show that the excess is maintained. If, moreover, you look at the twelve months ending with this June, the excess of exports is no less than £12,000,000.

The steps taken by the banks in May, 1927, to curb advances, restrict imports, and attract deposits, by increasing both the overdraft rates and rates for deposits, largely accounted for change in the banking position.

The report and accounts were unanimously adopted.

AILSA INVESTMENT TRUST, LIMITED.

INCREASE OF CAPITAL FORESHADOWED.

The first annual general meeting of the Ailsa Investment Trust, Limited, was held, on the 6th instant, in the Accountants' Hall, 220 St Vincent street, Glasgow.

Sir Adam Nimmo, K.B.E., who presided, apologised for the absence of the chairman, Sir William McIntock, K.B.E., C.V.O., who was unavoidably detained in London, and also for the absence of Mr S. Russell Cooke and Mr L. H. Smith, C.B.E. (directors), who had found it impossible to be present.

Continuing, the Chairman said: I propose, subject to your approval, to take as read the accounts for the period to May 31, 1928, and the directors' report, which has been circulated to you.

The income from investments for the period amounts to £15,156. This represents only the dividends actually received up to the date of the balance-sheet, nothing being included in respect of dividends accrued at that date. In view of the fact that the investments were acquired gradually during the year, you will appreciate that this amount does not represent a full year's income from the securities now held, and as the capital of the company was paid up at varying dates throughout the year it is of no value to give the ratio of income to the amount of capital invested. The average gross yield on the investments at present held by the Trust is, however, about 6½ per cent. per annum.

The balance of net revenue for the year, after charging income-tax, expenses of management and interest, amounts to £13,845, out of which your directors have appropriated £6,000 to meet the dividend on the £300,000 5 per cent. preference stock for the half-year to May 31, 1928, paid on June 1st last. Out of the balance of revenue of £7,845 available for distribution it is recommended that a dividend should be paid on the £200,000 ordinary stock for the half-year to May 31, 1928, at the rate of 5 per cent. per annum, absorbing £4,000, and leaving £3,845 to be carried forward.

The original issue of 500,000 shares was over-subscribed, and on the shares becoming fully paid up they were converted as from December 1, 1928, into 60 per cent. of 5 per cent. preference stock and 40 per cent. ordinary stock. The whole of the issued capital has been invested, and additional sums amounting to £136,000 have been obtained on loan. At a later date it may be necessary to consider increasing the company's resources, and your directors will carefully consider the most advantageous time and method.

The net capital approximately realised on the sale and redemption of securities amounted to £20,780, and this amount has been applied to the extent of £8,789 in writing off the preliminary expenses, and the remainder of such profits, amounting to £11,990, has been applied in reduction of the cost of the company's investments. After writing down the cost of the investments held by the company by the above £11,990, their value taken at middle market prices on the date of the balance-sheet was over £30,000 in excess of the book value.

A detailed list of the investments held has been submitted with the directors' report. The total number of securities held is 158, representing an average holding of £4,228, while the largest holding of any one security is under £20,000. The directors have followed accepted Trust Company practice in regard to spreading the Trust's investments both geographically and in relation to the classes of securities. Approximately 48 per cent. of the funds are invested in debentures and bonds, 20 per cent. in preference shares, and 32 per cent. in ordinary shares.

The report and accounts were adopted.

Mr John Duncan, C.A., and Mr S. R. Cooke, the retiring directors, were re-elected and the auditors reappointed, and the meeting terminated with a vote of thanks to the chairman.

INTERNATIONAL TEA COMPANY'S STORES, LIMITED.

GOOD RESULTS AND PROSPECTS.

The annual general meeting of the International Tea Company's Stores, Limited, was held, on the 10th instant, at Winchester House, London.

Mr Guy Collier (chairman and one of the joint managing directors) said that the trading profit for the year was £579,553, which was a highly satisfactory figure. The reserve now stood at the figure of £797,097. It was recommended that a final dividend of 14 per cent., making 25 per cent. for the year against 22 per cent. for the previous year, should be paid, but it must be borne in mind that that final dividend was being paid on a larger capital.

It might appear that the board had been somewhat too conservative in their apportionment of the year's revenue, but he would ask the shareholders to bear in mind that the prosperity of the company had been built up by an extremely progressive

policy in regard to trading, in the opening up of new and more and more elaborate retail depots, in the manufacture of the best type of food products, and in the most up-to-date factories, but all the time under a most conservative system of finance. Under that policy the company had been built upon a foundation so strong that nothing but utterly incompetent management could wreck it. The board intended to pursue that policy ruthlessly, and he was sure that the shareholders had no desire to break away from those traditions.

With regard to their holding in the Star Tea Company, two entirely different aspects were presented as the result of their four months' control of that company. With regard to the buying side, the figures before the meeting included very little profit from their new venture because the control of that company's affairs had not become effective until quite recently. What they had seen, however, indicated that substantial profits were to be obtained from supplying those 433 shops, while the manufacture of numerous articles formerly bought outside the merger not only increased the profits of the Star and themselves but reduced the overhead charges of their factories. As a result, he thought that the revenue to be obtained would exceed the estimate originally formed.

With regard to the future, he believed firmly in the company's boast that the International Tea Company "delivered the goods," and he had a great ambition that, with the natural increase of trade and with the enhanced purchasing power and possible expansion of the combined companies, and with plenty of zeal put into their work, there was no reason why they should not one day top the one million pound mark.

The report and accounts were unanimously adopted.

ANGLO-CEYLON AND GENERAL ESTATES COMPANY, LIMITED.

DIVIDEND MAINTAINED.

The 42nd annual ordinary general meeting of the Anglo-Ceylon General Estates Co., Limited, was held, on the 12th instant, in the council room of the Ceylon Association in London, 6, Laurence Pountney hill, London, Sir Edward Rosling (the chairman) presiding.

The Secretary (Mr H. J. Hitchcock) having read the notice convening the meeting and the report of the auditors,

The Chairman said:—In Ceylon the tea crop from estate leaf amounted to 4,182,794 lbs, an increase on the previous season of 58,125 lbs. The climatic conditions were not too favourable, the later months being affected by a prolonged spell of dry weather. The quality of our teas has, on the whole, been well maintained, the net average realised being 1s 6.15d, as against 1s 5.8d in the previous season.

As was to be expected, the record cacao crop of the previous season of 7.643 cwts was not repeated, but the one under review of 5,670 cwts, in the circumstances, can be regarded as satisfactory. Our sales are close up to date, and the net price realised is 71s, as compared with 59s 3d last year. The rubber crop amounted to 343,850 lbs, and the amount licensed for export was 284,656 lbs. No comparison with the previous season is of any value, as the position was governed by the restriction of exports scheme. The net price realised was 12.5d, and we are sold close up to date.

The profit from Ceylon amounts to rather over £86,000, and the falling off as compared with the previous year is accounted for by the lower price for rubber, the smaller cacao crop, and the increase in the cost of production.

The net profit for the year is £113,240, as compared with £120,871 in the previous season, and it is proposed to pay a final dividend of 15 per cent., or the same as last year; place £10,000 to reserve, and carry forward a balance of £37,944, as against £44,704 15s 5d last year.

If you will turn to the balance-sheet you will see that our Ceylon holdings have been increased by some £30,500, viz., £7,700 tea extensions, and £22,800 cost of new buildings and machinery.

The Mauritius estate account shows a reduction of £2,579, the result of realisation of the machinery, &c., on Riche Bois Estate, of which we had a joint interest with the other purchaser of the property.

Investments show an increase of some £24,000, and the changes consist of the realisation of our debenture holdings in the Anglo-Argentine Tramways and Argentine Great Western Railway. The L.L.P. debentures have been paid off, and as you were advised at our last meeting, we have purchased an interest in the old-established firm in Mauritius of Messrs Ireland, Fraser and Co., Limited.

In regard to the prospects for the current season, it is even more difficult than usual to frame a forecast that is of any material value. Now that the labour position would appear to justify it we propose pushing on with the opening of our available land as fast as local conditions permit.

The Ceylon tea market is at present lower than it was a year ago and the future depends largely on how big a crop India is about to harvest. The market is not in a position to absorb any material increase over last season.

Our cacao crop for the current season is promising, and prices are reasonably satisfactory. Rubber at present prices can leave little or no profit, and although our acreage under this product is relatively small, our holdings in other companies have in the past constituted a valuable addition to our general revenue.

Sugar remains at a distressingly low level, and every effort is being made further to reduce the cost of production. The prospects for the coming crop are much the same as at this time last year. The indications point to a crop of 16,000 tons of sugar to be produced from 106,000 tons cane grown on our own estates, and 50,000 tons cane purchased from neighbouring planters.

The Chairman concluded by moving the adoption of the report and accounts, and the payment of a dividend as recommended, which was seconded by Mr Claude E. S. Bishop, and carried unanimously.

MOND NICKEL COMPANY, LIMITED.

LARGELY INCREASED PROFITS.

The 14th annual general meeting of this company was held, on the 12th instant, in London.

The Right Hon. Lord Melchett, P.C., F.R.S., D.Sc. (the Chairman), said that the profit and loss account showed an increase in the gross profit of £247,890, an increase of nearly 50 per cent. on the previous year's figure. The improvement was mainly due to the great increase in the deliveries of their main product, nickel.

The sum of £50,000 had been placed to suspense account.

The net profit, but for the transfer to suspense account, had been increased by almost the identical amount as the gross profit. He thought it would be agreed that the company had had a most satisfactory year, and that it was in a very strong position. The mines which the company was at present working, namely, the Carson and Levack, were looking as well as ever, and they had been able to prove further ore reserves during the year. They had, however, been fortunate in finding in the Frood Extension Mine a property of very large extent and of better grade than they had had in the past. The board, therefore, attached great importance to its development. The position of this mine was interesting owing to the fact that the ore bodies progressively improved at depth. It was exactly similar to a very large section of this reef owned by their neighbours, the International Nickel Company. A very large body of ore had been disclosed above the 2,700 feet level, the average grade of which was superior to the ore at present being worked. This would result in cheaper matte costs, and, therefore, in cheaper nickel production and larger profits if the prices of metals were maintained. Below that level the ore got richer both in copper and nickel contents, and in certain spots the copper ore seemed to occur in such concentrated form as to show quite phenomenal values.

The company had an extensive programme of work before it, and it was therefore proposed to increase the authorised ordinary capital from £900,000 to £1,500,000 by the creation of 1,200,000 shares of 10s each. The board proposed to issue 600,000 of the new shares at a premium of £2 15s for each 10s share, thus making the price of issue £3 5s. This offer would be made to the ordinary shareholders on the register on the 2nd inst. in the ratio of one new share for every three held. It was also proposed to sub-divide the £1 ordinary shares into two shares of 10s each.

The report and accounts were unanimously adopted, and the proposed sub-division and increase of capital was approved.

APOLLINARIS AND JOHANNIS, LIMITED.

CONTINUED PROGRESS—RESUMPTION OF DIVIDEND.

The thirty-first ordinary general meeting of Apollinaris and Johannis, Limited, was held, on the 10th instant, at the Holborn Restaurant, London, Mr Alfred R. Holland, chairman of the company, presiding.

The Chairman, in moving the adoption of the report and accounts, said that the profits for the year amounted to £71,367, being an increase on the previous year of £6,293. Apart from the slight setback during the year of the general strike, every year without exception had shown business expansion and growth of profits. Under the 1923 scheme of reconstruction sums were yearly set aside out of the annual profits for sinking fund purposes, and during the past five years no less than £44,450 of debentures and certificates had been purchased and cancelled, thus strengthening the financial position of the company. The carry

forward after deduction of sums as set out in the report would stand at £77,635, which sum the board considered sufficient for the present needs of the business. A dividend of 1 per cent. was recommended to be paid to shareholders, which though small was at least a commencement—it was the first since the war—and would afford encouragement to the shareholders. Had it not been for the unprecedentedly wet and cool summer—one of the very worst according to the weather report of the *Times*—a larger sum would undoubtedly have been earned. Such results, notwithstanding the adverse weather conditions, demonstrated that the business was sound and the popularity of Apollinaris was growing. The improvement in the position of the company was also due to the progress in the sales of Presta sweetened beverages—such as tonic water, lemonade, ginger ale, &c., prepared and bottled by the company at their new model factory at Colindale. This new venture, for the second year of its existence, showed highly satisfactory results, and that Presta had come to stay; Presta was becoming an important branch of the organisation of the company. Apollinaris trade, however, in many of the foreign markets, particularly South America, was still heavily handicapped by high and in many cases prohibitive duties. Even in England—still supposed to be a Free Trade country—business was hampered by Customs and Excise charges, the duty paid on the English home trade, indeed, amounted last year to some £18,000, or sufficient to pay an additional 2 per cent. dividend, or 3 per cent. instead of the 1 per cent. now recommended. Nevertheless, the excellent and never varying quality of Apollinaris made one optimistic that, in spite of the many and great difficulties which had to be faced, further steady progress would still be continued.

The report and accounts were unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Dec. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	Mar. 31, 1927.	Dec. 31, 1927.	Mar. 31, 1928.	July 7, 1928.
2½ and 2½ Consols ..	573	300	300	300	300	300	300	300	300
Other Funded Debt ..	15	15	14	14	14	14	14	14	14
Term. Annuities ..	30	20	14	13	13	12	12	12	12
4% Consolidated Loan ..	..	..	..	..	166	207	204	204	204
3½ Conversion Loan ..	..	..	666	709	760	740	852	832	832
4½ Conversion Loan ..	..	..	..	210	211	211	221	221	221
3½ War Stock ..	..	..	63	63	63	63	42	13	13
4½ War Stock ..	..	..	13	13	13	13	13	13	13
4% and 5% War Stock ..	2,047	2,166	2,052	2,109	2,154	2,154	2,253	2,253	2,253
National War Bonds ..	1,509	820	778	706	556	430	194	146	146
4% Funding Loan ..	..	409	396	394	390	389	385	385	385
4% Victory Bonds ..	..	360	314	303	292	277	260	260	260
Treasury Bonds ..	..	323	150	15	15	15	15	15	15
Exchequer Bonds ..	..	267	366	369	375	372	370	363	363
National Savings Certs.	..	..	1,128	1,124	1,111	1,103	1,097	1,097	1,097
Other Debt ..	..	1,306	..	..	..	..	..	..	..
American Loan (Anglo-French) ..	..	51	588	576	565	559	651	527	583
Treasury Bills ..	15	1,107	186	167	139	117	174	162	176
Temporary Advances ..	654	8,033	7,641	7,598	7,558	7,555	7,732	7,527	7,607
Other Capital Liabilities ..	57	46	66	68	75	98	100	101	103
Total Liabilities ..	711	8,079	7,707	7,666	7,633	7,653	7,832	7,628	7,710

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

	July 9, '27.	Mar. 31, '28.	July 7, '28.	Week ended July 7, '28.
Ways and Means Advances ..	£ 250,000	£ 250,000	£ 250,000	£ 250,000
Advances by Bank of England ..	151,530,000	161,850,000	176,400,000	3,500,000
Advances by Public Deptts. ..	592,980,000	526,940,000	583,585,000	+ 2,930,000
Treasury Bills Outstanding ..	744,510,000	688,790,000	759,985,000	+ 5,180,000
Total Floating Debt ..	1,484,020,000	1,476,580,000	1,576,115,000	+ 2,930,000

* Includes £4,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on July 6, 1928, and the total amount applied for was £57,660,000. For bills at 3 months, dated Monday to Friday, at £99 1s 3d, about 41 per cent.; Saturday at £99 1s 6d, and above in full. The amounts allotted were in bills at 3 months, £40,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1928.			
May 4 ..	40,000,000	64,525,000	3 18 2.37
May 11 ..	40,000,000	56,980,000	3 18 9.42
May 18 ..	40,000,000	52,130,000	4 0 2.85
May 25 ..	40,000,000	59,535,000	3 18 9.72
June 1 ..	40,000,000	55,445,000	3 15 7.61
June 8 ..	35,000,000	53,050,000	3 15 1.45
June 15 ..	35,000,000	45,955,000	3 15 2.11
June 22 ..	35,000,000	43,275,000	3 16 4.92
June 29 ..	40,000,000	73,725,000	3 16 6.96
July 6 ..	40,000,000	57,660,000	3 14 0.25

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.						
			Silver Coin.	Gold Bullion.	Bank of England Notes.	Ratio to Notes.	Government Securities.	Balance at Bank of England.	Balance at Bank of England.
1924.									
Mar. 26 ..	281,538	11,908	7,000	27,000	22,450	17.6	236,867	130	130
June 25 ..	290,316	12,472	7,000	27,000	22,450	17.0	246,198	140	140
Sept. 24 ..	285,592	12,227	7,000	27,000	22,450	17.3	241,185	184	184
Dec. 31 ..	296,261	12,812	7,000	27,000	26,950	18.2	248,111	132	132
1925.									
Mar. 25 ..	284,256	11,882	7,000	27,000	26,950	18.9	235,076	112	112
June 24 ..	292,278	12,265	7,000	..	53,950	18.5	243,474	119	119
Sept. 30 ..	293,004	12,555	7,000	..	56,250	19.1	242,188	121	121
Dec. 30 ..	296,777	12,561	7,000	..	56,250	18.9	245,696	192	192
1926.									
Mar. 31 ..	295,337	12,226	6,550	..	56,250	19.0	244,585	173	173
June 30 ..	294,036	12,567	6,550	..	56,250	19.1	243,667	136	136
Sept. 29 ..	287,858	12,235	6,300	..	56,250	19.5	237,467	136	136
Dec. 29 ..	296,461	12,467	6,300	..	56,250	18.9	246,248	119	119
1927.									
Mar. 30 ..	288,067	11,882	5,650	..	56,250	19.5	237,913	135	135
June 29 ..	298,260	12,812	5,650	..	56,250	18.8	249,067	105	105
Sept. 28 ..	294,798	12,752	5,650	..	56,250	19.0	245,424	226	226
Dec. 28 ..	293,791	12,904	5,650	..	56,250	18.8	250,662	133	133
1928.									
Mar. 28 ..	289,508	12,515	5,500	..	56,250	19.4	240,241	132	132
July 4 ..	300,157	12,461	5,400	..	56,250	18.7	250,791	176	176
July 11 ..	296,927	12,528	5,400	..	56,250	19.0	247,641	164	164

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary liability for 1920 was fixed at £320,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,145,400, for 1926 at £247,902,500, for 1927 at £246,011,000, and for 1928, at £244,935,100.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Total Receipts into the Exchequer from April 1, 1928, to July 7, 1928.	Week ended July 7, 1928.	9 days ended July 9, 1928.
Balances in Exchequer on 1st April:—			
Bank of England ..	5,918,513	6,003,023	..
Bank of Ireland ..	404,112	456,633	..
	6,322,625	6,459,656	..
ORDINARY REVENUE.			
Inland Revenue—			
Property and Income Tax ..	24,630,000	20,585,000	3,375,000
Super-Tax ..	8,520,000	11,160,000	400,000
Estate, &c., Duties ..	19,940,000	17,830,000	1,440,000
Stamps ..	6,010,000	5,180,000	440,000
Excess Profits Duties, &c. ..	..	..	..
Corporation Profits Tax ..	210,000	590,000	..
Land Tax, House Duty and Mineral Rights Duty ..	130,000	100,000	..
Total Inland Revenue ..	59,440,000	65,445,000	5,655,000
Customs and Excise—			
Customs ..	29,208,000	29,737,000	2,150,000
Excise ..	32,650,000	33,600,000	875,000
Total Customs & Excise ..	61,858,000	63,337,000	3,025,000
Motor Vehicle Duties (Exchequer Share) ..	1,850,000	1,846,958	422,000
Post Office (Net Receipts) ..	230,000	1,350,000	Dr. 650,000
Crown Lands ..	..	..	..
Receipts from "Sundry" Loans ..	7,885,504	6,749,004	1,826,288
Miscellaneous: Ordinary Receipts ..	2,458,670	2,436,989	11,353
Miscellaneous: Special Receipts ..	5,728,920	8,642,355	1,080,000
Total Ordinary Revenue ..	139,491,091	150,071,304	10,947,631
SELF-BALANCING REVENUE.			
Post Office ..	14,500,000	14,450,000	1,600,000
Motor Vehicle Duties apportioned to Road Fund ..	4,556,000	2,404,044	439,000
Total Self-Balancing Revenue ..	19,056,000	16,854,044	2,039,000
OTHER RECEIPTS.			
Temporary Advances Repaid—			
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	..	..	..
Under the Unemployment Insurance Acts, 1921 ..	514,432	1,958,000	..
Money Raised by Creation of Debt—			
(a) For Capital Expenditure Issues: Under the Telegraph (Money) Act, 1925 ..	2,550,000	2,500,000	..
(b) Under the Unemployment Insurance Acts, 1921 ..	1,640,000	960,000	..
(c) For other issues: By Treasury Bills ..	627,244,000	655,057,000	46,592,000
By 4% Consolidated Loan ..	..	41,316,756	271,554
By National Savings Certificates ..	11,050,000	9,450,000	750,000
By National War Bonds ..	..	..	..
By 5% Treasury Bonds, 1933-35 ..	58,235,113	..	..
(d) Ways and Means Advances ..	215,450,000	194,030,000	5,300,000
Geypments—			
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921 ..	43,695	43,536	11,928
Total ..	1,081,596,969	1,078,700,296	65,640,569

EXPENDITURE AND OTHER ISSUES.

		Total Issues out of the Exchequer to Meet Payments from		Issues.	
		Apr. 1, 1928, to July 7, 1928.	Apr. 1, 1927, to July 9, 1927.	Week Ended July 7, 1928.	9 days Ended July 9, 1927.
ORDINARY EXPENDITURE.					
National Debt Services—	£	£	£	£	£
Interest, &c.	..	122,216,602	123,095,228	7,891,024	8,355,128
Payments to Local Taxation Accounts.....	..	1,120,215	1,000,000	..	..
Payments to Northern Ireland Exchequer....	..	899,741	1,057,981	163,429	75,000
Other Consolidated Fund Services ..	..	723,049	1,226,682	203,793	203,871
Supply Services (excluding Post Office).....	..	83,223,100	85,268,500	7,845,000	11,063,000
Total Ordinary Expenditure	..	208,182,707	212,648,391	16,103,246	19,676,999
Sinking Fund	..	17,031,391	10,298,268	764,868	733,658
SELF-BALANCING EXPENDITURE.					
Post Office	..	14,500,000	14,450,000	1,600,000	1,600,000
Road Fund	..	4,556,000	2,404,044	439,000	..
Total Self-balancing Expenditure	..	19,056,000	16,854,044	2,039,000	1,600,000
OTHER ISSUES.					
Temporary Advances					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904		18,458	18,458	..	..
Under the Unemployment Insurance Acts, 1921		1,640,000	960,000	..	..
Issues to Meet Capital Expenditure—Under the Telegraph (Money) Act, 1925		2,550,000	2,500,000	..	..
Unemployment Insurance Acts, 1921—Repayment of Amounts Borrowed		514,432	1,554,000	..	..
Redemption of Debt—					
Treasury Bills		570,600,000	661,250,000	43,680,000	62,075,000
Principal of National Savings Certificates		11,550,000	10,900,000	800,000	1,300,000
Principal of National War Bonds paid off		46,786,305	..	..	..
Ways and Means Advances Repaid					
		200,900,000	159,101,000	2,050,000	28,350,000
Old Sinking Fund, 1907-08—					
Issued under Section 9 of the Finance Act, 1908	1,000	..	..	..	..
		1,078,830,293	1,076,084,161	65,417,114	113,735,657
Balances in Exchequer—					
Bank of England		July 7 '28. 2,152,787	July 9 '27. 2,096,728	In or Dec. for Week. + 161,600	+ 48,456
Bank of Ireland		614,489	519,407	+ 62,395	+ 146,949
Total		2,766,676	2,616,135	+ 223,455	+ 195,405
Treasury, July 9, 1928.					

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, July 11, 1928.

ISSUE DEPARTMENT.

£	£
Notes issued	191,358,425
Government debt	11,015,100
Other securities	8,734,900
Gold coin & bullion	171,608,425
191,358,425	191,358,425

BANKING DEPARTMENT.

£	£
Proprietors' capital ..	14,553,000
Rest	3,493,579
Public deposits	16,210,144
Other deposits	104,703,036
Seven-day & other bills ..	3,252
138,963,011	138,963,011

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

	Amount, July 11, 1928.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Best	3,493,579	+	5,246
Public deposits	16,210,144	+	6,176,583
Other deposits	104,703,036	+	4,278,174
Government securities ..	30,628,855	+	18,288,097
Other securities	50,588,324	+	4,226,028
Reserve	57,745,824	+	21,511,955
Note circulation	126,361,115	+	1,223,465
Coin and bullion	174,356,917	+	23,288,490
% of reserve to liabilities ..	47%	+	17%

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.	Bank Rate.
1928.	£	£	£	£	£	%	%
May 16	161,546,830	134,834,125	114,541,656	85,423,150	73,000 out	46.862,705 40%	4%
23	162,187,482	135,054,485	115,615,115	84,506,320	9,000 out	46,872,997 41%	4%
30	162,902,473	135,984,760	116,852,107	85,361,370	572,000 in	46,667,713 41%	4%
June 6	164,073,965	136,661,835	119,125,392	88,765,975	1,014,000 in	46,168,130 40%	4%
13	168,099,528	135,073,700	121,043,201	86,107,790	3,828,000 in	45,775,828 43%	4%
20	171,691,040	135,026,540	122,555,474	84,040,919	29,000 in	56,414,503 46%	4%
27	172,287,120	136,256,120	123,466,008	91,647,283	40,000 in	55,781,000 43%	4%
July 4	173,428,234	137,166,490	124,510,072	108,510,072	942,000 in	56,011,744 38%	4%
11	174,356,917	136,361,115	120,913,180	81,217,209	916,000 in	57,745,802 47%	4%

BANKERS' CLEARING RETURNS (000's omitted).

	Town.	Metropolitan.	Country.	Total.
1928.	£	£	£	£
January 1 to June 27	19,414,546	906,194	1,501,099	21,821,839
Week ended July 4	983,102	44,361	59,766	1,087,229
Week ended July 11	728,743	41,375	71,491	841,609
Total to date 1928	21,132,391	991,830	1,632,356	23,756,577
Do 1927	19,885,720	952,634	1,604,884	22,443,238
Increase or decrease in 1928 ..	+ 1,246,671	+ 39,236	+ 27,472	+ 1,313,389
% ..	+ 6.3%	+ 4.1%	+ 1.7%	+ 5.8%
Total for year 1927	36,819,682	1,758,032	2,972,827	41,550,541
Total for year 1926	35,346,429	1,660,757	2,817,468	39,824,654
Increase or decrease in 1927 ..	+ 1,473,253	+ 97,275	+ 154,959	+ 1,725,487
% ..	+ 4.1%	+ 5.8%	+ 5.4%	+ 4.3%

PROVINCIAL CLEARING RETURNS.

	Month of June.	Aggregate Weekly Totals to July 7.
	1927.	1928.
Number of Working Days ..	25	26
BIRMINGHAM	10,652,000	11,401,000
BRADFORD	5,422,000	5,510,000
BRISTOL	4,792,000	5,117,000
DUBLIN	3,502,000	3,572,000
HULL	4,013,000	3,900,000
LEEDS	3,233,000	3,567,000
LIVERPOOL	3,527,000	3,839,000
MANCHESTER	54,969,000	52,381,000
NEWCASTLE-ON-TYNE ..	5,976,000	5,900,000
NOTTINGHAM	2,480,000	2,568,000
SHEFFIELD	4,070,000	3,812,000
Total	131,636,000	131,807,000

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Canada appeared in the Economist of June 20; Netherlands, Italy, Bulgaria, Greece, Russia, Estonia and Danzig in July 7.

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

	July 12, 1928.	July 5, 1928.	June 28, 1928.	June 21, 1928.	July 15, 1927.
Total gold reserves	449,630	436,540	373,080	37,560	134,490
Bills bought in open mkt. ..	33,490	49,410	36,86	28.9 0	3,280
Total U.S. Govt. securities ..	40,300	40,920	34,750	47,660	63,730
Total bills and securities	523,420	526,870	444,900	454,120	235,500
—reserve account	929,540	936,500	939,750	921,170	918,980
Ratio of total res. to dep. and Federal Res. note liabilities combined ..	63.1%	63.5%	69.8%	69.4%	83.9%

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

	July 12, 1928.	July 5, 1928.	June 28, 1928.	June 21, 1928.	July 15, 1927.
Total gold reserves	2,534,880	2,546,490	2,583,310	2,580,920	3,012,680
Total bills discounted	1,089,270	1,191,010	1,031,870	990,880	426,200
Bills bought in open mkt. ..	187,640	209,660	223,430	223,880	193,210
Total U.S. Govt. securities ..	217,770	219,570	219,570	222,870	377,800
Total bills and securities	1,494,680	1,620,240	1,474,870	1,438,170	998,510
Total reserves	5,062,520	5,195,120	4,963,460	5,037,690	5,112,420
LIABILITIES.					
Federal Reserve notes in actual circulation	1,640,150	1,660,130	1,604,640	1,593,370	1,703,290
Deposits—Memberbank—					
reserve account	2,365,400	2,402,890	2,344,710	2,332,160	2,315,000
Total deposits	2,407,440	2,459,320	2,381,800	2,305,160	2,361,240
Capital paid in and surplus ..	376,540	374,530	373,640	373,620	358,190
Total liabilities	5,062,520	5,195,120	4,963,460	5,037,690	5,112,420
Ratio of total reserves to deposit and Federal Reserve note liabilities combined ..	67.9%	65.4%	68.7%	69%	78.0%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	June 15, 1928.	June 8, 1928.	June 1, 1928.	May 25, 1928.	May 18, 1928.	June 17, 1927.
ASSETS.						
Gold coin and bullion	7,883	7,830	8,211	7,772	7,772	7,366
Subsidiary coin	99	115	134	152	160	154
Bills discounted	8,166	8,055	7,640	8,155	8,536	7,054
Investments	596	596	596	596	596	572
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	509	509	509	509	509	509
Notes in circulation	7,891	8,309	9,070	7,851	7,838	7,443
Government deposits	1,834	1,389	2,149	1,911	1,593	1,526
Bankers' deposits	5,338	4,861	5,007	4,790	5,693	4,802
Ratio of cash reserves to liabilities to public ..	51.2%	51.7%	49.2%	50.3%	50.8%	53.1%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	June 15, 1928.	June 8, 1928.	June 1, 1928.	May 25, 1928.	May 18, 1928.	June 17, 1927.
ASSETS.						
Total securities	25,71,25	25,45,70	24,98,40	24,20,24	24,17,11	21,34,99
Loans	12,05,80	15,36,42	15,82,94	15,80,64	16,55,98	12,93,92
Cash credits	30,64,57	30,71,15	30,46,85	30,15,12	30,64,53	30,72,45
Inland bills	9,38,64	11,44,01	11,60,44	13,42,68	13,45,68	4,92,38
Foreign bills	37,82	38,12	30,61	32,41	42,98	31,60
Dead stock	2,84,77	2,84,93	2,84,98	2,85,20	2,84,95	2,79,63
Balance with other banks	19,70	11,77	6,81	12,80	14,83	6,38
Cash	11,21,68	12,06,92	12,50,33	11,82,06	9,09,22	13,66,71
LIABILITIES.						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,12,50	5,12,50	5,12,50	5,12,50	5,12,50	5,00,00
Total deposits	76,03,75	78,35,22	78,21,52	78,21,01	78,92,62	75,35,12
Thereof includes—						
Deposits in London	1,031	991	953	1,045	1,037	949
Advances in London	994	1,005	1,009	1,043	992	963
Cash, &c., at other Banks in London ..	150	89	50	91	110	44

BANK OF FRANCE.—In francs. (000's omitted).

	July 6, 1928.	June 29, 1928.	June 22, 1928.	June 15, 1928.	June 8, 1928.	June 1, 1928.
ASSETS.						
Gold	29,175,976	28,990,033	28,934,885			
Foreign assets						
Sight deposits	15,920,276	15,559,114	15,984,601			
Bills discounted	12,684,965	11,686,441	10,544,906			
Commercial bills discounted at home	2,206,391	3,582,658	2,955,454			
Advances against security—						
To the State	9,130,000	9,130,000	9,130,000			
Other advances	1,961,885	1,837,040	1,846,774			
Other assets (excluding forward exchange)	2,610,477	2,768,066	3,110,839			
LIABILITIES.						
Notes in circulation	60,295,093	60,628,093	58,772,461			
Public deposits	6,609,766	6,488,385	7,012,806			
Private deposits	5,487,773	4,924,827	5,471,53			
Other liabilities	1,629,747	1,496,055	1,251,139			

* For detailed comparison of new and old return, see the The Economist, June 30, page 1336.

THE REICHSBANK.—In Reichsmarks* (000's omitted).

	July 7, 1928.	June 30, 1928.	June 23, 1928.	June 16, 1928.	June 9, 1928.	June 2, 1928.
ASSETS.						
Reichsbank shares not yet issued ..	177,212	177,212	177,212	177,212	177,212	177,212
Gold and bullion	2,105,378	2,083,818	2,062,207	1,802,123		
Of which deposited abroad	85,626	85,626	85,626	57,876		
Reserve in foreign currencies	239,549	250,044	245,255	73,542		
Bills of exchange and cheques	2,305,256	2,477,172	1,860,861	2,317,621		
Notes of other German banks	84,280	85,385	104,008	91,366		
Notes of other German banks	15,289	7,693	21,067	16,833		
Advances	27,255	138,279	27,211	71,853		
Investments	93,987	93,996	91,996	93,051		
Other assets	604,253	684,172	616,893	491,689		
LIABILITIES.						
Reduced capital	122,783	122,788	122,788	122,788		
Increase of capital (shares not yet issued) ..	177,212	177,212	177,212	177,212		
Reserve	284,205	284,205	284,205	243,293		
Notes in circulation	4,426,661	4,674,202	3,906,724	3,676,547		
Other daily maturing obligations ..	423,769	525,207	57,708	587,889		
Other liabilities	218,834	215,057	208,073	328,074		

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription of one pound of fine gold equals 1,392 Reichsmarks.

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).

	July 5, 1928.	June 28, 1928.	June 21, 1928.	June 14, 1928.	July 7, 1927.	Position May 23, 1924.
ASSETS.						
Gold	799,495	799,428	758,012	787,177	644,711	(b)
Foreign Bills						
Balances Abroad	446,561	466,024	444,457	465,597	447,315	232,650
Silver & other coin						
Securities	542,716	568,293	556,753	568,094	475,235	697,600
LIABILITIES.						
Notes in circulation	2,138,241	2,102,013	2,084,454	2,108,064	1,901,502	934,150
Current accounts	71,075	143,885	132,369	152,423	95,137	112,125

(b) In thousand francs.

NETHERLANDS BANK.—In florins (000's omitted).

	July 2, 1928.	June 25, 1928.	June 18, 1928.	June 11, 1928.	July 4, 1927.</
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BANK OF JAPAN.—In yen (000's omitted).

	June 9, 1928.	June 2, 1928.	May 26, 1928.	May 19, 1928.	June 11, 1928.	Position June 30, 1928.
Assets.						
Cash and bullion.	1,137,599	1,136,691	1,134,802	1,133,664	1,128,980	21,120
Discounts.	990,737	1,000,837	1,002,750	1,001,719	856,576	41,740
Advances.	73,500	78,863	71,935	72,111	94,900	70,540
LIABILITIES.						
Notes.	1,204,031	1,263,077	1,206,807	1,144,435	1,275,788	352,270
Govt. deposits.	685,954	643,369	660,063	704,244	828,705	87,340
Other deposits.	444,234	443,675	456,149	478,624	318,095	11,440

LONDON RATES.

	July 5, 1928.	July 6, 1928.	July 7, 1928.	July 8, 1928.	July 9, 1928.	July 10, 1928.	July 11, 1928.	July 12, 1928.
Bank rate (changed from 5% April 21 1927).	4½	4½	4½	4½	4½	4½	4½	4½
Market rates of discount—								
60 days' bankers' drafts.	3½	3½	3½	3½	3½	3½	3½	3½
3 months' do.	3¼	3¼	3¼	3¼	3¼	3¼	3¼	3¼
4 months' do.	3¼	3¼	3¼	3¼	3¼	3¼	3¼	3¼
6 months' do.	3¼	3¼	3¼	3¼	3¼	3¼	3¼	3¼
Discount (Treasury Bills)—								
2 months.	3½	3½	3½	3½	3½	3½	3½	3½
3 months.	3½	3½	3½	3½	3½	3½	3½	3½
Loans—Day to day.	3½	3½	3½	3½	3½	3½	3½	3½
Short.	3½	3½	3½	3½	3½	3½	3½	3½
Deposit allowances: Banks.	3½	3½	3½	3½	3½	3½	3½	3½
Discount houses at call.	3½	3½	3½	3½	3½	3½	3½	3½
At notice.	3½	3½	3½	3½	3½	3½	3½	3½

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

Comparison with previous weeks:—

	Short Loans.	Bank Bills.			Trade Bills.		
		3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
1928.	%	%	%	%	%	%	%
June 21.....	3 3/4	3 3/4	3 3/4	3 3/4	4 1/2	4 1/2	4 1/2
July 4.....	3 3/4	3 3/4	3 3/4	3 3/4	4 1/2	4 1/2	4 1/2
July 11.....	3 3/4	3 3/4	3 3/4	3 3/4	4 1/2	4 1/2	4 1/2

OVERSEAS BANK RATES.

	Changed.	%		Chinged.	%
Amsterdam	Oct. 12, 1927	4½	Oslo	Mar. 26, 1928	5½
Athens	June 7, 1927	10	Paris	Jan. 19, 1928	3½
Belgrade	July 26, 1921	6	Prague	Mar. 8, 1927	5
Berlin	Oct. 5, 1927	7	Pretoria	Jan. 9, 1928	5½
Brussels	June 30, 1928	4	Reval	Jan. 2, 1928	7½
Bucharest	Sept. 4, 1920	6	Riga	April 1, 1928	6½
Budapest	Aug. 26, 1926	6	Rome	June 25, 1928	5½
Calcutta	June 21, 1928	6	Sofia	Aug. 5, 1924	10
Copenhagen	June 23, 1927	6	Stockholm	Apr. 30, 1928	4
Danish	June 20, 1927	6	Swiss Bank		
Helsingfors	Nov. 24, 1927	6	places	Oct. 22, 1925	3½
Kovno	Feb. 8, 1925	7	Tokio	Oct. 18, 1927	5½
Lisbon	July 28, 1926	8	Vienna	Jan. 27, 1928	6
New York Fed- eral Reserve ..	July 12, 1928	5	Warsaw	May 13, 1927	8
Madrid	Mar. 23, 1923	6	Irish	Apr. 21, 1927	5½

Central Bank of Chile.—Discount rate for member banks, 6½%; discount rate for the public, 7½%.
 † 5% applied to banks, &c., charging not more than 11% p.a. for their loans.
 † 7% applied to banks, &c., charging more than 11% p.a. for their loans.

MOSCOW QUOTATIONS FOR TCHERVONETZ.

According to advices received in London, the following are the Moscow quotations for tchervonetz:—

£100 sterling equals 945.89-947.79 tchervontzi.
 £100 = 134
 1 tchervonetz = 10 gold roubles. £1 sterling = 946 gold roubles.

RATES OF EXCHANGE.

London on	Usance	Par.	July 15, 1927.	July 5, 1928.	July 12, 1928.
New York	dollars to £1	Cable	4.864	4.851-34	4.871-75
Montreal	dollars to £1	Cable	4.864	4.860-75	4.878-75
Paris	francs to £1	T.T.	124.21	123.95-124.05	124.20-30
Berlin	marks to £1	T.T.	20.43	20.44-51	20.40-41
Amsterdam	florins to £1	T.T.	12.107	12.114-124	12.09-8
Brussels	belgas to £1	T.T.	35.00	34.91-94	34.92
Milan	lire to £1	T.T.	92.46	89-75	92.75-80
Berne	francs to £1	T.T.	15.22	15.22-23	15.24-5
Oslo	kroner to £1	T.T.	18.159	18.78-80	18.21-4
Stockholm	kronor to £1	T.T.	18.159	18.124-134	18.16-4
Copenhagen	kroner to £1	T.T.	18.159	18.15-17	18.19-20
Lisbon	escudo to £1	T.T.	25.224	28.35-37	29.51-3
Vienna	schillings to £1	T.T.	4.50	24-33	107-84
Prague	kroner to £1	T.T.	24.024	163-1634	164-3
Belgrade	dinars to £1	T.T.	25.224	2.5-277	276-71
Budapest	pengo to £1	T.T.	27.82	27.84-89	27.90-95
Bukarest	lei to £1	T.T.	25.224	795-800	793-6
Sofia	leva to £1	T.T.	25.224	670-78	672-7
Athens	drachmas to £1	T.T.	25.224	363-3.5	374-54
Constantinople	piastres to £1	T.T.	110	940-950	953-8
Warsaw	zloty to £1	T.T.	43.38	43-44	43-4
Helsingfors	F. marks to £1	T.T.	193.25	192-1924	193-4
Kovno	litas to £1	T.T.	18.159	18.15-17	18.19-20
Reval	Kroon to £1	T.T.	25.224	25.15-30	25.15-30
Riga	litas to £1	T.T.	25.224	25.15-30	25.15-30
Alexandria	pence to £1	Sight	974	974-84	974-84
Buenos Aires	pence to £1	T.T.	47.624	47-84	47-84
Rio de Janeiro	pence to £1	90 days	47.624	47-84	47-84
Montevideo	pence to £1	T.T.	51	48-9	50-8
Valparaiso	dollars to £1	90 days	40	39-75	39-55
Lima	lang. to Per. £1	90 days	par	28-4 prem.	19-4 prem.
Calcutta	pence	T.T.	18	1/5-1/8	1/5-1/8
Bombay	to	T.T.	18	1/5-1/8	1/5-1/8
Madras	rupee	T.T.	18	1/5-1/8	1/5-1/8
Hong Kong	ster. to dollar	T.T.	18	1/5-1/8	1/5-1/8
Shanghai	ster. to tael	T.T.	28.4d	2/3-1/4	2/3-1/4
Singapore	ster. to dollar	T.T.	24.584	1.1-1.14	1.1-1.14
Kobe	ster. to yen	T.T.	24.584	1.1-1.14	1.1-1.14
Manila	ster. to p. o	T.T.	24.584	1.1-1.14	1.1-1.14
Mexico	pence to d. s.	T.T.	24.584	25-2	25-2

* As from Oct. 1. † Rate for previous day. ‡ Pence to escudo.
 (a) An official stabilisation at 290-303 dollars to 100 kronor, i.e., approximately 1624 kronor to £.

CURRENT RATES IN NEW YORK.

The American Exchange Irving Trust Company cable the following money and exchange rates in New York:—

	July 14, 1928.	June 13, 1928.	June 20, 1928.	June 27, 1928.	July 3, 1928.	July 11, 1928.
Call money	4½	4½	4½	4½	4½	4½
Time money (90 days' mixed coll)	4½	4½	4½	4½	4½	4½
Bank acceptances:—						
Members—eligible, 90 days.	3½	3½	3½	3½	3½	3½
Non-mem.—eligible 90 days	3½	3½	3½	3½	3½	3½
Ineligible, 90 days.	4½	4½	4½	4½	4½	4½
Commercial accept. 90 days.	4½	4½	4½	4½	4½	4½

Rates of Exchange.	Par Level.	July 14, 1927.	June 27, 1928.	July 3, 1928.	July 11, 1928.
London—					
60 days	Dollars for £1	4.8666	4.817-2	4.837-3	4.8243
Cable			4.855	4.871-4	4.875
Cheques			4.855	4.871-4	4.87
Paris	Cents for 1 franc	19.30	13.89	13.97	13.96
Brussels	Cents for 1 Belg.	19.30	19.245	19.274	19.27
Switzerland	Cents for 1 franc	19	5.435	5.265	5.26375
Italy	Cents for 1 mark	23.81	23.73	23.874	23.875
Berlin	Cts. for Austr. shlg.	14.07	14.10	14.07	14.095
Vienna	Cents for 1 peseta	19.30	17.12	16.53	16.49
Amsterdam	Cents for 1 guilder	40.195	40.04	40.261	40.28
Copenhagen			26.705	26.82	26.78
Oslo	Cents for 1 kroner	26.80	25.83	26.76	26.755
Stockholm			26.765	26.815	26.82
Athens	Cents for 1 drachma	19.30	1.33	1.3025	1.30
Montreal	Can. Cents for \$1	100	101.60	1. dis.	2 dis.
Yokohama	Cents for 1 yen	49.85	47.10	46.35	46.15
Hong Kong	Cents for H. Kong \$	100	49.00	50.35	49.85
Shanghai	Cents for 1 Shng. tael	100	61.75	62.25	62.50
Calcutta	Cents for 1 rupee	100	36.08	36.28	36.25
Buenos Aires	One peso	103.65	103.95	42.65	10.35
Rio de Janeiro	Cents for 1 milreis	32.42	11.80	11.93	11.90
Valparaiso	Cents for 1 p-so	12.166	12.125	12.18	12

† Gold pesos for \$100.

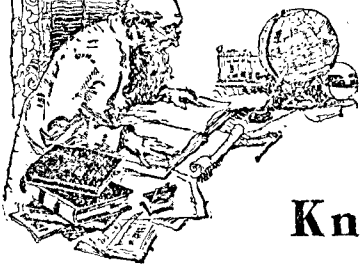
SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.		Union of South Africa.	
	From February 6, 1928.		From February 6, 1928.	
	London on South Africa.		South Africa on London	
	Buying.	Selling.	Buying.	Selling.
T.T.	1 1/2	dis.	par to 1 1/2	3 1/2 prem.
Demand	1 1/2	"	1 1/2	3 1/2
30 days	1 1/2	"	1 1/2	"
60 days	1 1/2	"	1 1/2	"
90 days	1 1/2	"	1 1/2	"
120 days	1 1/2	"	1 1/2	"

"Achievement is but another milestone along the highway of progress—the end of the journey lies ever beyond."

THE CHATWOOD TRADITION.



Knowledge

It is one of the tragedies of this life that we accumulate so much knowledge which appears to be of little direct value to us.

The value of knowledge lies in its application, although material currency is not always its reward.

Those who utilise their knowledge to amuse the world appear to receive more than the statesmen who control its destiny, but the payment is not in the same currency.

The leader of men has knowledge, sound judgment, and a love of work. To him, achievement and the knowledge that the world is better for his labours is ample payment.

It is applied knowledge that is the all-important factor in The Chatwood Security. The design is the result of knowledge acquired during an experience of three-quarters of a century.

THE CHATWOOD SECURITY

THE CHATWOOD SAFE Co., Limited.
 Bankers' Engineers,
 SHREWSBURY, England.

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country.	Method of Quoting.	Par Value.	Usance	Rate.
Ecuador	Sucres to £	24.3325	Sight London	24.40
Venezuela	Bolivares to £	25.25	"	25.25
Colombia (Bogota)	Pesos to £20	100	"	99.12
Nicaragua	Cordobas to £	4.8665	"	4.92
Salvador	Colones to £	9.75	"	9.90
Bolivia	Pence to Boliviano	19.20	90 days	18

OVERSEAS DOMINIONS RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.				Australia and New Zealand on London.			
	Buying.		Selling.		Buying.		Selling.	
	Aus- tralia.	New Zeal'nd	Aus- tralia.	New Zeal'nd	Aus- tralia.	New Zeal'nd	Aus- tralia.	New Zeal'nd
T.T.	..	..	99½	99½	..	..	101	100½
Demand	98½	98½	99½	99½	99½	99½	100½	100½
30 days	97½	97½	..	..	99½	99	100½	100
60 days	97	97½	..	..	99½	99½	99½	99½
90 days	96½	96½	..	..	99½	98	..	99½

BULLION.

The following statistics of imports and exports of gold for week ended July 11, 1928, are issued by the Statistical Department of H.M. Customs and Excise:—

	Imported into Great Britain and Northern Ireland.	Exported from Great Britain and Northern Ireland.
From—		
British South Africa	2,159,713	
Other Countries	850	
To—		
Germany		23,847
Netherlands		2,981
France		30,409
Switzerland		28,603
Austria		15,730
Hungary		1,270
Java		2,500
Gibraltar		4,000
British India		1,600
Straits Settlements		1,200
Other Countries		715
Total declared value of imports	2,160,563	
Total declared value of exports		371,878

GOLD STANDARD RESERVE.

Statement showing the form in which the balance of the reserve was held on June 30, 1928:—

	£
In India	Nil
In England—	
Cash at the Bank of England	1,357
Gold	2,152,334
British Treasury bills—	
Value as on June 30, 1928	9,967,190
Other British and Dominion Government securities—	
Value as on June 30, 1928	27,879,119
	40,000,000

SIDNEY TURNER, Accountant-General.

India Office, S.W.1, July 11, 1928.

GOLD MOVEMENTS.

1928.	ARRIVALS.	£	1928.	WITHDRAWALS.	£
July 6	nil		July 6	nil	
" 7	nil		" 7	nil	
" 9—S. Africa	250,000		" 9	nil	
" 10	bars bought	692,000	" 10—Spain	sovs.	17,000
" 11	nil		" 11—Egypt	sovs.	9,000
" 12	bars bought	268,000	" 12	nil	
Total		1,210,000	Total		26,000
		Net arrivals, £1,184,000.			

SUMMARY OF BALANCE-SHEETS.

BARCLAYS BANK, LIMITED.

LIABILITIES.	June 30, 1927.	Dec. 31, 1927.	June 30, 1928.
Deposits, &c.	308,538,672	318,374,472	317,960,893
Acceptances	10,152,974	12,830,069	15,923,346
Capital paid-up	15,858,217	15,858,217	15,858,217
Reserve fund	10,250,000	10,250,000	10,250,000
Total liabilities	344,799,763	357,312,758	359,992,456
ASSETS.	June 30, 1927.	Dec. 31, 1927.	June 30, 1928.
Cash in hand and at Bank of England	48,218,021	49,564,181	43,219,419
Money at call and short notice (b)	33,755,798	36,112,145	33,457,941
Bills discounted	25,618,506	32,518,234	35,987,202
Investments	59,712,684	59,010,287	55,423,535
Advances	162,012,044	161,867,906	170,511,201
Acceptances (as per contra)	10,152,874	12,830,669	15,923,346
Bank premises and adjoining properties	5,329,836	5,408,936	5,459,812
Total assets	344,799,763	357,312,758	359,992,456

(a) Percentage of deposits banks and cheques in course of collection.

WESTMINSTER BANK, LIMITED.

LIABILITIES.	June 30, 1928.	ASSETS.	June 30, 1928.
Paid-up capital	9,320,157	Cash	39,137,495
Reserve	9,320,157	Money at call & notice	29,181,890
Current deposits, &c.	9,320,157	Bills discounted	29,181,890
Accounts, including balance profit and loss	277,951,060	Advances	48,377,561
Acceptances and endorsements	16,204,574	Investments	33,209,605
Note issue in Isle of Man	13,001	Shares in allied banks	2,991,716
Total	312,808,949	Acceptances	16,204,574
		Bank premises	4,489,397
		Total	312,808,949

MARTINS BANK, LIMITED.

LIABILITIES.	June 30, 1928.	ASSETS.	June 30, 1928.
£20 shares, £2½ paid	2,348,890	Cash in hand and with Bank of England	8,179,370
£1 shares, fully paid	1,811,152	Balances, &c., with other British banks	2,859,951
Reserve fund	3,457,872	Money at call or notice	9,409,728
Current deposit, &c.	81,058,805	Investments	20,650,190
Bank's acceptances	2,266,251	Bills of exchange	3,884,233
Endorsements, &c.	4,522,995	Loans and advances to customers, &c.	41,583,450
Total	95,465,965	Customers' liability for bank acceptances	2,265,251
		Bank premises	2,109,817
		Endorsements, &c.	4,522,995
		Total	95,465,965

DISTRICT BANK, LIMITED.

LIABILITIES.	June, 1926.	June, 1927.	June, 1928.
Deposits	51,601,093	50,815,449	51,573,112
Acceptances, confirmed credits, endorsements, &c.	215,760	362,251	1,663,190
ASSETS.	June, 1926.	June, 1927.	June, 1928.
Cash and money at call and short notice	11,949,072	11,267,004	11,198,008
Bills of Exchange (including Treasury Bills)	3,151,030	2,726,100	4,513,808
Investments	14,560,461	14,532,586	14,791,600
Advances	24,986,529	25,381,758	24,265,693

BRITISH CELANESE, LIMITED.

LIABILITIES.	February 28, 1928.	ASSETS.	February 28, 1928.
7½% cum. pref., £1 4,250,000	175,000	Freehold land, buildings, &c.	5,062,752
Ord. shares, 10s	1,325,000	Goodwill, &c.	1,888,414
7% deb.	958,182	Commutation of royalties	1,096,500
6½% bonds	285,000	Furniture, &c.	24,411
7½% bonds	2,939,930	Stocks	817,458
Loan	150,000	Sundry debtors	546,965
Sundry creditors	821,362	Investments	40,779
Depreciation reserve account	1,000,000	Cash	2,480,838
General reserve	1,020	Profit and loss	565,827
Profit and loss	429,362	Total	11,933,806
Total	11,933,806	Total	11,933,806

BENGAL IRON COMPANY, LIMITED.

LIABILITIES.	March 31, 1928.	ASSETS.	March 31, 1928.
Ord. shares (£1)	1,575,000	Properties	2,480,758
7½% cum. pref. (£1)	500,000	Ind. iron & steel	5,000
7% deb.	913,200	Discount on debts	24,650
Income deb.	5,000	Stocks	181,753
Deb. reserve	80,391	Debtors	435,761
Deb. int. accrued	16,509	Investments at or under cost	116,985
Unclaimed divs.	251	Cash	183,160
Creditors	146,524	Profit and loss	52,437
Profit and loss	167,195	Total	3,434,067
Total	3,434,067	Total	3,434,067

THE MOND NICKEL COMPANY, LIMITED.

LIABILITIES.	April 30, 1928.	ASSETS.	April 30, 1928.
7% cum. pref.	500,000	Properties in Canada	2,034,932
7% cum. "A" pref.	1,250,000	Properties in U.K.	1,502,368
7% non-cum. pref.	2,000,000	Shares in associated cos.	2,010,710
Ordinary shares	900,000	Stocks	1,928,807
5% deb. stock	375,000	Bills receivable	15,239
Interest accrued	9,375	Sundry debtors	479,226
5½% deb. stock	1,050,099	Cash	163,061
Interest accrued	28,281	Total	8,134,343
Loans from banks	167,000		
Bills payable	786,573		
Sundry creditors	611,964		
Unclaimed divs. & deb. interest	804		
Reserves	160,000		
Suspense account	50,000		
5½% deb. reserve	15,000		
Profit and loss	397,247		
Total	8,134,343	Total	8,134,343

COMPANY NEWS.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash.	Interim Div.	Final Div.	Dividend for Whole Year.	Pre-vious Year.
Banks.					
Banco del Peru y Londres	6% July	Less tax			
District Bank	18½% Aug.	Less tax			
Hongkong & Shanghai Banking	£3½ p.s. Aug. 7				
Java Bank	8½% July 28	Less tax			
Lloyds Bank, Ltd.	2½% July 28	Less tax			
Do "B"	16½% July 21	Less tax			
Manchester and County Bank	1/2 p.s. July 21	Less tax			
Martin's, £20 shares	1/2 p.s. July 14	Less tax			
Do £1 shares	1/2 p.s. July 14	Less tax			
Midland Bank	9% Aug. 1	Less tax			
North of Scotland Bank	18% Aug. 1	Less tax			
Provincial of Ireland	7½% Aug. 1	Less tax			
Royal Bank of Canada	7½% Aug. 1	Less tax			
Union Bank of Australia	7½% Aug. 1	Less tax			
Union Bank of Manchester	4½% Aug. 1	Less tax			
Westminster Bank, £20	10% Aug. 1	Less tax			
Do £1 shares	6½% Aug. 1	Less tax			
Williams Deacons Bank, "A"	6½% July 16	Less tax			
Do "B"	6½% July 16	Less tax			
Mining.					
Anglo Diamond	5% July 10	Less tax			
Electrolytic Zinc	6% Sept. 6	Less tax			
Henderson's Transvaal Estates	2½% July 16	Less tax			
Lampa	2½% July 16	Less tax			
Tanganyika Diamonds	25% ..				
Tea and Rubber.					
Arnakal	3½% July 20	Less tax			
Ceylon Upcountry Tea	25% July 18	Less tax			
Chandapore Tea	12½% July 18	Less tax			
Sarawak Rubber	5% July 28	Less tax			
Upper Assam Tea	20% July 28	Less tax			
Other Companies.					
American Trust	5½% ..	Less tax			
Anglo-American Telegraph	3% July 25	Less tax			
Assets Co.	4% Aug. 3	Less tax			
Associated Equipment	9% Aug. 15	Less tax			
Bartholomews (London)	6% July 31	Less tax			
Bournemouth & Poole Electric	3% July 31	Less tax			
Bradbury, Greatorex	5% July 24	Less tax			
British Oil Shipping	2% Aug. 3	Less tax			
Charter Trust and Agency	7½% July 23	Less tax			
Chiswick Electric	5% Aug. 15	Less tax			
City of London Brewery	2% July 16	Less tax			
Colonial Securities Trust, Def.	5% July 13	Less tax			
Cornbrook Brewery	5% Aug. 1	Less tax			
Devas, Routledge, and Co.	10% July 31	Less tax			
Elec. Distribution of Yorkshire	10% July 31	Less tax			
English Sewing Cotton	2½% July 31	Less tax			
Foreign & Col. Invest. Trust	20% July 30	Less tax			
Greyhound Racing Association	2½% Aug. 16	Less tax			
Manchester	10% ..	Less tax			
Hayes, Candy, and Co.	10% ..	Less tax			
Holborn Viaduct Land	2½% ..	Less tax			
Hollins Mill	2½% ..	Less tax			
Inveresk Paper	12½% July 31	Less tax			
Josiah Smale and Son	5% July 14	Less tax			
L. and J. Weber and Phillips	2½% ..	Less tax			
Lister and Co.	2½% ..	Less tax			
Lloyd and Yorak	5% ..	Less tax			
Manchester Bonding Warehouse	8 p.s. ..	Less tax			
Manch. Commercial Buildings	7½% ..	Less tax			
Metropolitan Trust	8% ..	Less tax			
Mortgage Co. of River Plate	5% ..	Less tax			
Moss Empires	5% ..	Less tax			
Murray & De Ral Estate	5% ..	Less tax			
Nairn (Michael) and Greenwich	3½% ..	Less tax			
Railway Deb. and Gen. Trust	3½% ..	Less tax			
Railway Share Trust	4% ..	Less tax			
Richmond Electric	8% ..	Less tax			
River Plate and General Invest.	2 p.s. ..	Less tax			
Scottish American Invest., "A"	1 p.s. ..	Less tax			
Do "B" shares	7½% ..	Less tax			
Scottish Central Investment	12½% ..	Less tax			
Second Scottish American Trust	4½% ..	Less tax			
Selected Investment	10% ..	Less tax			
Sheffield and District Cinematograph	3% ..	Less tax			
Steel Developments	5% ..	Less tax			
Stocall Enamels	10% ..	Less tax			
Thomas Tilling	8% ..	Less tax			
Timber Fire Proofing	8% ..	Less tax			
United Citizens' Invest. Trust	6% ..	Less tax			
United States Deb. Corporation	12½% ..	Less tax			
Variety Theatres	6% ..	Less tax			
Wembley Park Estate	6% ..	Less tax			
Yorkshire Electric Power	6% ..	Less tax			

MINING OUTPUT STATISTICS FOR MAY, 1928.

Gold.	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Cy. Works.	Mill.	Cy. Works.		
Ashanti	8,203	..	..	..	8,832	14,632
Associated (West Australia)	..	..	..	..	..	..
New	5,328	..	..	..	3,751	8,863
Blackwater Mines	3,800	..	..	..	2,633	..
Boulder Perseverance	3,466	..	..	..	..	5,700
Champion	5,600	..	..	..	16,521	2,182
Frontina and Bolivia	9,512	22,376	4,563	892	5,455	..
Globe and Phoenix	1,350	..	..	..	8,341	..
Great Boulder Prop.	6,072	..	..	..	5,898	10,434
Luipards Vlei	9,747	..	..	..	26,827	..
Marmajito	13,700	..	..	..	4,940	3,317
Mysore	690	..	..	..	4,851	..
Nundhydroog	18,005	30,666	8,553	1,128	9,681	..
Oregeum	10,513	18,276	5,199	1,121	6,320	..
Oregeum Consolidated	12,000	17,000	6,576	869	7,445	..
Sabie (Transvaal)	3,410	..	1,085	..	..	77,000
San Francisco de Mexico	24,040	..	..	..	4,841	613
Shanva	45,200	..	..	..	254,239	139,262
Sons of Gwalia	13,764	..	..	..	27,272	4,447
South Kalzuril	9,050	..	..	..	16,698	3,020
St John del Rev	..	..	..	..	33,500	..

Tin.	Output.	Other Notes in Return.
Amari (Nigeria)	5	
Anglo-Nigerian	36	
Aramayo Mines of Bolivia	365	Silver 179,000 ozs.
Babu River Tin (Nigeria)	11	
Bangrin	34	
Batum Monguana	2	
Bisichi (Nigeria)	29	
Bukoba (Tanganyika)	48	
Ex-Lands, Nigeria	45	
Fabulosa	121½	
Jantar (Nigeria)	25	
Jos (Nigeria)	14½	
Junction Tin (Nigeria)	20	
Kaduna Prospectors	17½	
Kagera (Uganda)	22	
Kent (F.M.S.)	5	Est. value, £2,740; est. profit, £1,280.
Lower Bisichi (Nigeria)	2	
Madubi	2	
Naraguta Extended	20	
Nigerian Consolidated	20	
Pattani Consolidated	20	
Pengkalan	27	
Ribon Valley (Nigeria)	12	
Siamese	3	108 tons 4½ cwt.
Sungel Way Dredging	3	Est. value, £1,200; est. profit, £1,800.
Tekka	4	Est. value, £5,750; est. profit, £3,680.
Tongkah Ha hour	75	
United Tin Areas (Nigeria)	52	
Coal.		
Anglo-Burma	122,000	Initial output 8 tons ore.
Chinese Engineering	53,048	Sales of coal week ended June 30.
Durban Navigation	..	14½ tons Wolfram. Estimated value, £3,328.
San Finx	..	
Copper.		
Bwana M'Kubwa	607	Copper oxide, equivalent to 491 tons refined copper.
Messina	1,450	Concentrates, containing 619 tons copper.
Tanganyika	9,200	
Miscellaneous.		
Lydenburg Platinum	..	3,475 tons milled, 826 ozs won.
Onverwacht Platinum	..	2,270 tons reduction plant. Estimate crude platinum yield 488 ozs. Refined platinum yield 4½ dwts. per ton milled.
Rhodesian & Gen. Asbestos	2,941	Sales, gross value £75,247.

BROKEN HILL SOUTH.—For the four weeks ended June 30, 1928, 25,926 tons of ore of crude ore and 3,801 tons of de-leaded slime residues were treated and produced 5,308 tons of lead concentrates, assaying 65 per cent. lead and 26 ozs silver per ton; also 5,780 tons of zinc concentrates assaying 47 per cent. zinc.

BURMA CORPORATION, LIMITED (Incorporated in India).—During the month of June 32,878 tons of ore were mined, including 2,180 tons of high grade ore. 27,240 tons of ore were milled in the treatment plant, producing 10,390 tons of lead concentrates. 12,283 tons of lead-bearing material, including 3,056 tons of high-grade ore, were smelted in the blast furnace, producing 6,117 tons of hard lead for treatment in the refinery. Refinery products were 6,666 tons refined lead and 653,268 ozs refined silver. Of silver production 27,297 ozs were recovered from the treatment of copper matte. Zinc plant produced 4,772 tons zinc concentrates, assaying 10½ ozs silver, 69 per cent. lead, and 52½ per cent. zinc. In addition to the above 1,157 tons copper matte were produced from the treatment of accumulated smelter by-products and 5,760 tons copper ore. 108 tons of refined antimonial lead were also produced. Included in the tonnage of refined lead is

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Debenture Interest.	Amount Available for Distribution.	Appropriation.				Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.
					Prefee.	Ordinary.	Rate.			
		£	£	£	Amount.	Amount.	%	£	£	%
Banks.										
National Bank of Australasia	Mar. 31	144,603	640,401	785,004	..	498,086	10	138,423	148,495	581,645
The National Bank	June 30	26,587	158,238	184,825	..	84,000	14	75,000	25,825	160,405
Breweries.										
James Eadie	Mar. 31	77,233	73,152	150,385	12,500	27,500	13	30,000	80,385	63,000
Parker's Burslem	June 2	36,949	109,620	146,569	12,300	73,800	18	20,000	40,469	112,414
Financial, Land, &c.										
Australian Estates and Mortgage	Dec. 31	25,067	58,056	83,123	29,740	38,476	4	..	14,907	Dr 61,546
Murrayfield Real Estate	May 31	3,010	1,827	4,837	..	1,440	6	..	3,397	406
North of Scotland Canadian Mort.	May 15	35,955	44,609	80,564	..	35,836	15	5,000	39,728	35,350
Scottish American Mortgage	May 31	103,011	101,501	204,512	43,550	42,000	14	35,000	83,962	97,120
Iron, Coal, and Steel.										
Bengal Iron	Mar. 31	7,066	385,330	392,396	75,000	126,000	8	168,951	22,445	223,711
Head, Wrightson, and Co.	April 30	1,514	9,804	11,318	10,148	..	..	..	1,170	15,678
Oil.										
Phoenix Oil Products	Dec. 31	..	42,830	42,830	42,830	..	..	..	5,740	..
Rubber, &c.										
Alluta	Mar. 31	1,468	1,946	3,414	..	..	..	1,000	2,414	6,554
Caledonian (Selangor)	Mar. 31	4,208	4,020	8,228	..	2,911	5	..	5,317	23,496
Coconut Plantations of Perak	Mar. 31	20,861	33,638	54,499	..	23,200	5	10,500	20,799	36,746
North Hummock (Selangor)	Mar. 31	4,228	13,470	17,698	..	12,000	5	2,000	3,698	38,914
Sedgeley (F.M.S.)	Mar. 31	3,400	11,448	14,848	..	8,000	20	..	6,848	21,272
Selangor United	Mar. 31	2,811	9,978	12,789	..	4,500	5	2,000	6,289	23,509
Sungei-Timah	Mar. 31	18	3,413	3,431	..	..	..	..	3,431	12,102
Shipping.										
Indo China Steam Navigation ..	Dec. 31	1,028	Dr 47,285	Dr 46,257	..	..	..	Dr 47,000	743	Dr 169,212
Sutherland Steamship	June 30	6,051	29,039	35,090	..	10,000	5	20,000	5,090	28,061
Tea.										
Panora	Mar. 31	..	2,017	2,017	..	..	..	2,017	..	Dr 2,321
Textiles.										
British Celanese	Feb. 29	..	864,889	864,889	127,500	..	..	435,526	301,863	223,194
Other Companies.										
Allen-Liversidge	April 30	7,018	72,591	79,609	13,000	30,000	10	29,000	7,609	58,958
Charles Kinloch and Co.	Mar. 31	1,649	4,144	5,793	..	4,000	5	1,000	793	1,283
Francois Cementation Co.	Mar. 31	10,880	46,238	57,118	16,000	20,000	50†	..	21,118	42,072
Manbre Estates	Dec. 31	1,203	Dr 4,763	Dr 3,560	..	..	..	..	Dr 3,560	..
Mond Nickel	April 30	33,189	562,808	595,997	262,500	247,500	27½	56,125	29,872	374,976
Riverside Orange	Sept. 30	Dr 321,394	1,017	Dr 320,377	..	..	..	..	Dr 320,377	Dr 145
Telephone Manufacturing	Dec. 31	1,332	35,235	36,567	..	..	..	12,000	24,567	5,426
Tilbury Contracting and Dredging ..	Mar. 31	19,879	104,988	124,867	..	39,842	12½	59,898	25,127	30,717
Wesley and Scott	Dec. 31	Dr 2,189	Dr 1,976	Dr 4,165	..	..	..	..	Dr 4,165	Dr 3,091
Wolseley Sheep Shearing Machine ..	Dec. 31	18,174	16,850	35,024	..	7,500	7½	10,000	17,524	15,107

* Half-year. † Including arrears.

(£7,762,732) on June 30, 1927, an increase during the year of 53 per cent. Total resources increased during the same period from \$95,609,720 (£19,121,944) to \$121,317,562 (£24,263,512). The increase in undivided profits was \$553,102 (£110,620), the total after payment of all dividends being \$4,753,135 (£950,627), against \$4,200,033 (£840,005). The regular quarterly dividend of \$1.50 per share on common stock has been declared. Two important additions have been made to the board. These are Mr George V. McLaughlin, formerly the New York State Superintendent of Banks, and now president of the Brooklyn Trust Company, and Mr George M. Shriver, executive vice-president of the Baltimore and Ohio Railroad.

NATIONAL BANK OF AUSTRALASIA, LIMITED.—The report for the year ended March 31, 1928, shows that the net profits for the year, after deducting all expenses and including the sum of £104,331 in respect of income, land and note taxes, providing for bad and doubtful debts and other contingencies, amount to £640,401, to which is added £144,602 from previous year, leaving available the amount of £785,003, against £581,645 for preceding year. From this sum appropriations have been made in respect of interim dividend of 10 per cent. per annum paid in November last, i.e., £248,085, £88,423 to augmentation of reserve fund (making same £3,000,000), to reduction of bank premises £50,000, and it is recommended that a final dividend be paid on the £10 and £8 shares at the rate of 10 per cent. per annum, which will require £250,000, leaving a carry-forward of £148,494. During the past financial year the increase in paid-up capital from £4,000,000 to £5,000,000 was completed, and the premiums on the new issue amounting to £411,576 was carried to the reserve fund, in addition to usual yearly allocation, making a total transfer to that fund of £500,000. The new head office building in Melbourne has been completed and is in full occupation. The principal changes in the balance-sheet figures for the past year are increase in deposits of nearly £1,300,000, increase in holding in Government, municipal and other public stocks, debentures and funds of over £3,500,000, and a reduction in bills discounted and other advances of over £1,900,000.

UNITED DOMINIONS TRUST, LIMITED.—The profit for the year ended June 30, 1928, was £56,354, which with £4,927 brought in makes available £61,281. The sum of £43,772 is put to general reserve, making it £125,000. A dividend of 7½ per cent., less tax, is paid on the ordinary shares, absorbing £10,977 and £6,533 is carried forward.

MISCELLANEOUS.

AUSTRALIAN ESTATES AND MORTGAGE COMPANY, LIMITED.—The gross profit for 1927, amounted to £235,985 (including £64,920

dividend from B.A.W.R.A.), and after deducting the current expenditure and English and Australian income-tax there is a balance of £143,244. After providing for the interest on debenture stocks, amounting to £85,188 5s 10d, the net profit for the year was £58,056, to which has to be added the amount brought forward from last year, £25,067—£83,123; from which has to be deducted preference dividends for the year ended December 31, 1927, paid July 1, 1927, and January 1, 1928 (less tax), £29,740, leaving an available balance of £53,383, which the directors recommend should be appropriated as follows:—To the payment of a dividend for the year 1927 of 4 per cent., less tax, on the consolidated ordinary stock and the capital paid up on the ordinary shares, £38,475; to be carried forward to next account, £14,906.

BRITISH BORNEO TIMBER COMPANY, LIMITED.—The reduction of the company's capital, which was approved by shareholders at meetings held on May 9 and 24, 1928, has now received the sanction of the Court. The company's capital is now divided into shares of 2s each, and shareholders will in due course be asked to surrender their share certificates to the company in order that the same may be exchanged for the appropriate share certificates in the reorganised capital.

BRITISH OIL SHIPPING COMPANY, LIMITED.—A circular issued by the company dated July 10, 1928, states that it has been arranged that the financial year should end on December 31st but, although the ships have on the average only been earning profits for the company for approximately nine months, the directors consider they are in a position to declare a further interim dividend at the rate of 10 per cent. per annum, less tax in respect of the six months ended June 30, 1928. This is to be paid on July 24th to all shareholders registered on July 17, 1928. The work on the new ships is progressing rapidly. The first is expected to be launched next month, and it is hoped that both will be in a position to earn profits before the end of the year. The building of these ships was effected by the issue of 50,000 shares which will not rank for dividend until January 1, 1929, although it is hoped the ships will be profit-earning before then. The company has secured the services of Mr Nigel Battine as director in place of the late Sir Ivor Heron-Maxwell.

BRITISH LION FILM CORPORATION, LIMITED.—We are informed that an agreement was signed on Tuesday for the exploitation and distribution by Ideal Films, Limited, of the entire output of British Lion Film Corporation, Limited. Through Ideal Films Limited, the arrangement brings one of the newer film-producing companies into close association with the Gaumont-British group of theatres. The contract provides also for the assistance of the

Gaumont-British group being given for the marketing of British Lion films in most of the foreign markets of the world.

ENGLISH SEWING COTTON COMPANY, LIMITED.—The accounts for the year ended March 31, 1928, result as follows:—After providing for depreciation, debenture interest, income-tax, directors' and auditors' fees and law charges, the net profit amounts to £530,156, to which is added the balance brought forward from last year's accounts £92,096, making a total of £622,252; and after deducting dividends paid, viz., on ordinary shares, interim dividend of 5 per cent. (actual) paid February 9, 1928, £100,000; on preference shares 5 per cent. for the year ended March 31, 1928 (of which 2½ per cent. was paid on September 30, 1927, and 2½ per cent. on March 31, 1928), £50,000, there remains a balance of £472,252, which the directors recommend shall be appropriated as follows: Payment of a final dividend of 10 per cent. on the issued ordinary shares, making with the interim dividend of 5 per cent. already paid 15 per cent. for the year (same as for preceding year), £200,000; to reserve for equalisation of dividends, £200,000; to pension fund for employees, £10,000; balance carried forward, £62,252.

LAUTARO NITRATE.—The Local Board of the Lautaro Nitrate Company in Valparaiso have cabled the position as at June 30th as follows:—Nitrate movements.—Production June, 634,000 metric quintals; production January-June, 3,832,000; exports June, 186,000; exports January-June, 2,838,000; sales June, 289,000; total sales 1928 delivery, 3,175,000; undelivered sales at June 30, 1928, 166,000, sales for delivery July 1st onwards, 754,000—920,000; sales June 16, 1927-June 30, 1928, 6,657,000; stocks at June 30th (approximately), 1,785,000. (10 metric quintals = 1 ton.) Iodine movements.—Production January-June, 545 metric quintals; exports January-June, 802; stocks June 30th on the coast and abroad, 3,220. Association sales January-May, 1928, £100,279. Cash situation at June 30th—Funds in bank (sterling), £14,363; funds in bank (currency), \$3,148,000; overdrafts, £126,000. The above cash situation is after payment of six months' debenture interest to May 31st.

SAFETEX SAFETY GLASS, LIMITED.—In a letter to shareholders dated July 10, 1928, the board advises that in answer to many inquiries from shareholders they are glad to state that the Safetex Safety Glass Company is making progress that is entirely satisfactory. It is true that the Hendon factory has taken longer and cost more to equip than was originally expected, but it has taken longer and cost more only because the board found as they went on that they could greatly improve on the equipment as at first designed, with the result that their production will be even more efficient and cheap than they had hoped. It is expected that the Hendon factory will be at work in August, and it is fully anticipated that the prospectus estimates of output and profit, when once the factories are fully at work, will be amply fulfilled.

TELEPHONE MANUFACTURING COMPANY, LIMITED.—The net profit for the year 1927 amounts to £35,234, as compared with £5,426 for 1926. The directors recommend that £12,000 of the net profit be utilised in writing down the new issue expenses, reducing these to £50,000. The balance of profit unappropriated will be £24,566, which it is proposed to carry forward. After completing the orders on hand at the beginning of 1927, the manufacturing side of the business found that the demand for telephone apparatus was small, due to the curtailment of telephone development by the telephone service on grounds of economy, and this important department of the business has suffered accordingly. The directors are glad to be able to report that a very considerable improvement has set in during the current year. The value of orders in hand is much greater and the works output is increasing. The combined balance-sheet of the subsidiary installation companies shows that this side of the business has made continued progress and reveals an increased profit. This progress has been maintained during the first five months of the current year. The meeting will be held at Cannon Street Hotel, London, on July 19, at 11.30 a.m.

VERELLEN, LIMITED.—A statement issued by the company on July 9, 1928, states that the company has acquired on favourable terms a factory in Cologne fully equipped with up-to-date machinery for producing cigarettes on a large scale, and it is the intention to commence manufacturing the company's products for sale in Germany forthwith. In addition the board is at present in active negotiations with a view to acquiring factories and interests in two other countries which should prove of great benefit in developing the company's business. In order to provide the necessary finance the directors have placed at a premium the unissued 50,000 ordinary shares of £1 each of the company, and as further moneys will be required to carry into effect the above-mentioned schemes as and when they materialise, a further increase of the company's capital will become necessary. The directors then propose to submit to the shareholders the necessary resolutions for increasing the capital and for the issue of a further number of preference shares, thus giving effect to the views expressed by shareholders for bringing the preference share capital into line with the ordinary. The new cigarette factory at the rear of the company's headquarters in Antwerp is now nearing completion, and four Triumph cigarette machines are being installed, which will be capable of turning out upwards of 1,000,000 cigarettes per day.

WILLIAM HOLLINS AND COMPANY, LIMITED.—Arrangements have been made under which this company acquires all the shares in the Seedhill Finishing Co., Limited, of Paisley. That company has for many years finished a large proportion of the "Vivella" and other cloths manufactured by Wm. Hollins and Co., Limited. The purchase price is £143,750. The Seedhill

FINANCIAL NEWSPAPER PROPRIETORS LIMITED.

(Incorporated under the Companies Acts, 1908 to 1917.)

DAWNAY, DAY & CO., LIMITED, of 54, THREADNEEDLE STREET, LONDON, E.C.2
were authorised by the Company to make an

ISSUE, on FRIDAY, JULY 13th,
OF
525,000 Ordinary Shares of £1 each, at par.

DIRECTORS.

Major J. W. HILLS, M.P. (Chairman), 98, Mount Street, W., Director, Swedish Match Co.
NIGEL DE M. BOND, Esq., Springfield House, Hatfield Peverel, Essex, Director, Eyre & Spottiswoode, Ltd.
BRENDAN BRACKEN, Esq., 11, North Street, Westminster, Chairman, Financial News, Limited.
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Colonel Hon. F. VERNON WILLEY, C.M.G., C.B.E., M.V.O., Blyth Hall, Blyth, Notts., Banker; Director, Commercial Union Assurance Company Limited.

BANKERS.
LLOYDS BANK, LIMITED.

BROKERS.

J. & A. SCRIMGEOUR, 6, Austin Friars, London, E.C.2.

PROSPECTUS.

OBJECTS.—The Company was incorporated on 6th July, 1928, for the purposes set out in its Memorandum of Association, and more particularly to acquire, directly or indirectly, the following:—

- (1) 49,950 out of 50,000 Ordinary Shares of £1 each of THE FINANCIAL NEWS LIMITED, which Company owns and publishes "THE FINANCIAL NEWS," founded in 1884.
- (2) 34,000 out of 35,000 Ordinary Shares of £1 each of CHARLES BIRCHALL LIMITED, of Liverpool, which Company, *inter alia*, owns and publishes "THE JOURNAL OF COMMERCE AND SHIPPING TELEGRAPH," established in 1826.
- (3) 50,000 Ordinary Shares of £1 each, being the whole of the Share Capital of THE INVESTORS' CHRONICLE LIMITED, which Company owns and publishes "THE INVESTORS' CHRONICLE AND MONEY MARKET REVIEW," established in 1860.
- (4) The copyright, undertaking and goodwill of "THE BANKER," with which is included its supplement "THE UNDERWRITER," established in 1926.
- (5) One half share in a contract to purchase the whole of the issued Share Capital of THE ECONOMIST NEWSPAPER LIMITED (with

which is included "THE INVESTORS' MONTHLY MANUAL"), established in 1843.

The profits for 3 years after making necessary adjustments have been as follows:—

For the year ended during	
the 12 months to 31st March, 1926, £43,015.	
Do. do. 1927, £31,251.	
Do. do. 1928, £69,468.	

Thus the average yearly adjusted profits amount to £48,911. The average net profits for the three years in question include those for the year to March, 1927, which was naturally most unfavourable for newspaper profits, owing to the General Strike and the prolonged Coal Stoppage. The amount indicated as available for dividend on the FINANCIAL NEWSPAPER PROPRIETORS LIMITED Ordinary Shares is 9 per cent. based on the above three years' average, or nearly 13 per cent. on the basis of figures for the last financial year alone. The profits for the last financial year have been more than maintained during the current year to date.

Company shareholders have with their purchase money applied for 114,355 ordinary shares in this company at 25s a share, and such shares have been allotted accordingly. This will increase the issued ordinary share capital of this company to £1,270,000. Mr. James Ross will continue to act as managing director of the Seed-ling Finishing Co., Limited, and will join the board of Wm. Hollins and Co., Limited. The directors are of opinion that it will be of considerable advantage to this company to have its own finishing plant, and they believe that this acquisition will prove to be to the interest of the shareholders. They are now well equipped for handling every step in the progress from the raw material to the finished article.

TRANSVAAL GOLD OUTPUT STATISTICS.

Name of Mine.	May, 1928.			June, 1928.		
	Ore.	Est. Yield.	Est. Profit.	Ore.	Est. Yield.	Est. Profit.
Brakpan	85,100	142,066	56,174	134,792	235,384	51,066
City Deep	82,000	118,277	7,981*	78,000	101,855	15,821*
Consolidated Main Reef	61,500	97,988	20,756	61,000	98,628	21,243
Crown Mines (10s shares)	236,000	314,194	87,260	223,000	310,930	84,518
Durban Roodepoort Deep	38,700	55,375	1,006	38,100	54,879	800
East Rand Proprietary	143,500	154,259	5,246	141,500	152,584	5,329
Ferreira Deep	38,700	30,145	4,084	33,700	29,603	4,106
Geduld Proprietary	82,000	111,199	43,019	80,000	107,946	40,603
Goldenhills Deep	65,700	62,036	701	66,000	60,302	528
Glyn's Lydenburg	7,100	9,653	1,051	6,500	8,593	301
Government Areas	208,000	294,132	235,384	200,000	285,022	227,198
Kleinfontein, New	52,600	50,371	1,138	51,400	50,279	788
Langlaate Estate	86,000	110,595	25,037	82,000	108,134	25,039
Meyer and Charlton	17,200	20,279	1,512	16,800	18,710	1,586
Modderfontein B.	70,000	110,889	47,653	69,000	110,560	47,499
Modderfontein Deep Levels	45,700	102,737	66,702	44,200	99,552	64,327
Modderfontein East	61,000	81,404	16,503	60,000	79,504	17,128
Modderfontein, New (24 shs.)	142,000	339,518	200,165	136,000	324,479	191,340
New State Areas	79,000	138,191	58,130	76,000	135,572	58,013
Nourse Mines	61,000	78,060	6,071	60,500	76,932	6,049
Primrose, New	9,700	10,651	271	8,000	9,149	1,162*
Robinson Estates	217,000	205,593	23,204	211,000	201,487	23,048
Robinson Deep	78,800	98,484	19,258	76,800	91,435	15,203
Ross Deep	57,400	57,877	3,045	54,000	49,456	2,174
Simmer and Jack	78,000	79,028	7,326	74,400	74,653	5,509
Spring Mines	72,500	110,594	73,402	69,000	102,614	70,128
Sub-Nigel	22,800	39,420	4,354	22,800	31,282	4,557
Transvaal Gold Mining Estates	17,158	22,230	1,125	16,000	20,741	1,125
Van Ryn	39,000	41,430	6,056	39,500	40,741	14,504
Van Ryn Deep	68,000	110,585	49,046	64,000	105,230	46,072
Village Deep	56,000	65,829	3,001	54,000	62,945	2,014
West Rand Consolidated	43,500	50,919	4,523	42,000	47,325	21,250
West Springs	53,600	76,386	23,408	52,200	73,325	21,250
Witwatersrand Deep	43,500	44,867	1,468	44,100	44,377	1,502
Witwatersrand (Knight's)	56,000	48,140	3,005	53,000	47,154	2,460
Woluter	29,700	29,370	262	29,700	28,681	297

* Loss

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday Evening.

Ideal weather conditions during the past week over the United Kingdom has considerably enhanced the prospects of growing crops. It is hoped that wheat will recover from an indifferent start and produce a larger yield than previously anticipated. Winter oats are still rather patchy, but barley presents a healthy appearance, with indications of an abundant crop. Native wheat was in small supply, but the undertone remains steady in sympathy with imported varieties. In the floating and forward cargo section, the tendency was slightly unsettled as the result of recent Russian purchases, buyers presumably awaiting a more favourable opportunity to replace certain quantities of wheat sold on Soviet account. Prices so far, have been maintained with difficulty, due to large available supplies in Canada, while a recent feature was the improved demand for American hard winter wheat, which is now competing with Canadian grades. Of feeders, a good business transpired in maize cargoes from Argentina at advancing prices, the demand being chiefly centred on afloat and near positions in order to supplement low stocks on the Continent. Plate steamers afloat sold 41s 6d to 42s 9d, July shipment 38s 6d net to 40s, August 15th 48s 3d, August 37s 9d to 38s per 480 lbs c.i.f. terms. Wheat dull and easier. No. 2 Northern Manitoba ex-ship 53s, No. 3 ditto 50s, No. 4 Vancouver 49s, Atlantic 48s, No. 5 Vancouver 46s, Atlantic 45s 6d, No. 6 Vancouver 44s, Rosafé 63 lbs ex-ship to arrive 51s 6d, Barusso 63 lbs 51s 6d, Australian 53s 6d ex-ship, per 496 lbs, English 10s-10s 6d per 112 lbs. Flour quiet. London standard grade 43s, town whites 44s, patents 45s-46s per sack delivered in the Home Counties, with 6d-1s per sack less for deliveries in the London

districts. Of imported, Manitoba patents range from 38s-42s, Minneapolis 40s 6d-42s, Australian 37s 6d ex-ship. On c.i.f. terms, Manitoba top patents July quoted 38s 6d 39s 6d, export ditto 36s 6d, Ontario Winter patents 40s-40s 9d, Australian 35s 6d-36s per 280 lbs. Maize strong, especially near positions. Plate landed 46s, ditto ex-ship 44s, June-July 4s, July-August, 39s ex-ship, per 480 lbs. Yellow maize meal 11s 10s ex-wharf, white African ex-ship to arrive 19s 5s per ton. Barley slow. Californian ex-store 47s-65s, Chilean Chevalier 60s-65s, Australian 54s-60s, Slovakian 63s-72s per 448 lbs, Algerian landed 38s, Egyptian 37s 9d, Persian 37s 6d, Marmora 37s-38s, Hama 37s 6d ex-store, per 400 lbs, English malting 10s 6d-12s, feed 10s 4d-10s 10d per 112 lbs. Oats.—Plate firm. La Plata landed 30s, ditto ex-ship 29s, black Plate ex-ship 27s 3d, ditto landed 28s 6d, No. 2 Canadian Western ex-ship 31s 6d, landed 52s 9d, No. 3 ditto ex-ship 30s 6d, landed 31s 9d, No. 2 Canadian feed ex-ship 29s 6d, landed 31s, Chilean Tawny landed 31s 6d, ditto white 35s 3d ex-ship, 36s 6d landed, German 35s 6d landed, per 320 lbs, English black and grey 11s 8d-13s, white 12s 4d-13s 4d per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1927-28, 1926-27, 1925-26, 1924-25:—

	1927-1928.	1926-1927.	1925-1926.	1924-1925.
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to July 7	77,659	73,251	21,414	74,694
45 weeks to July 7	10,641,852	11,510,810	12,809,063	10,763,536
Average price of English wheat per cwt.	s d 10 9	s d 12 8	s d 13 11	s d 11 11

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1924 to 1927:—

Weeks Ended	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1928.	Cwts.	Cwts.	Cwts.	s d	s d	s d
June 30	103,875	7,111	5,504	10 9	10 8	12 5
July 7	77,659	5,898	3,721	10 9	10 3	12 2
July 5, 1924.	36,254	3,012	5,308	11 9	10 11	10 3
July 4, 1925.	85,060	10,437	17,131	12 5	9 10	10 5
July 10, 1926.	21,414	4,832	6,105	13 11	8 9	10 1
July 9, 1927.	73,251	7,537	22,129	12 8	12 0	10 2

AMERICAN WHEAT MARKETS.

Under the influence of favourable weather conditions American wheat prices declined considerably during the week. The latest reports indicate satisfactory progress as regards crops, with the result that there has been a falling off in outside demand. Quotations:—

NEAREST FUTURE.	Jan. 6, 1927.	July 14, 1927.	Jan. 4, 1928.	July 4, 1928.	July 11, 1928.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	133½	161½	137	138½	131½
Chicago (No. 2 Winter)—Cents per 60 lbs	137½	142½	130½	138½*	128½

* Previous day's quotation.

Visible supplies of wheat in Canada at 54,699,000 bushels show a decrease of 4,677,000 bushels as compared with the previous figures. Supplies a year ago stood at 27,822,000 bushels.

COAL.

Our Cardiff correspondent writes:—Business has again been quiet, and shipments for most destinations have lately been below normal, Italy being the only noteworthy exception. In that country, supplies of German and Polish coals have been considerably reduced during the past two months, while those from South Wales have been steadily increasing. The collieries are adhering firmly to the minimum price schedule, and are preferring to close pits rather than increase the present unfavourable margin between prices and costs of production. Owing to the serious financial condition of the colliery companies it has been found impossible to bring into operation the coal-marketing scheme in the form originally proposed, and the intended levy of 3d per ton for the compensation of collieries losing shifts through their failure to obtain minimum prices, and the penalty of 2s per ton for selling below these prices, have been temporarily abandoned. In the form now suggested the scheme simply provides for a levy to meet administration costs, and colliery companies are now being asked

to state whether or not they are prepared to adopt the scheme in its amended form. The following are the current approximate quotations:—Best Admiralties, 19s 3d to 19s 6d; seconds, 19s to 19s 3d; best drys, 18s to 18s 6d; Black Veins, 17s 6d to 17s 9d; Western Valleys, 17s; Eastern Valleys, 16s 7½d to 17s; best steams 12s 6d to 12s 9d; cargo smalls, 11s to 11s 6d; coking smalls, 12s 6d to 13s; anthracite, best large, 34s to 35s 6d; Red Vein, large, 20s 6d to 25s; machine-made cobbles, 40s to 42s 6d; French nuts, 40s to 42s 6d; stove nuts, 37s 6d to 38s 6d; rubbly culm, 11s 9d to 12s 6d; foundry coke, 27s 6d to 36s; patent fuel 20s 6d to 22s; pitwood, ex-ship, 27s 6d to 28s.

Our Sheffield correspondent writes:—An improved export demand has strengthened the market for blast furnace coke, which is now quoted at 12s to 13s at ovens. The marketing scheme is sending up exports of coal, but the restricted output of the pits militates against profitable working. South Yorkshire steams fetch about 14s per ton at the pits for inland consumption. Demand for household coal, except the very best qualities, is poor.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—The volume of inquiry, both on home account and from the overseas markets, has been good, but a large proportion has failed to materialise into business. The pig-iron department is, perhaps, the most depressed of the British iron and steel industries, in spite of the fact that competition from foreign pig-iron in the home market is practically non-existent. The demand, however, from the consuming industries continues to be exceptionally poor. In the semi-finished steel department there has been a noticeable decline in the prices of Continental material, but in spite of this buying on the part of British users has not been active, although some good-sized inquiries have been circulated. In the finished steel department buyers and sellers appear to have reached a deadlock, and whilst there is a considerable tonnage of business offering at prices below the general level of market quotations, Continental manufacturers for the most part refuse to meet buyers' limits. The British steel works are experiencing an irregular demand.

Our Middlesbrough correspondent writes:—Pig-iron: There is no change in the position. Very few inquiries are being received, and any business transacted is only for small lots for local or inland destination. Makers are firmly maintaining the price of No. 3 G.M.B. at 66s, and are able to do this owing to the restricted output. The hematite position is still unsatisfactory, whilst the nominal price for mixed numbers is called 69s, business has been done at a lower price, as output is greater than demand and makers' stocks are increasing. Manufactured iron and steel: There is no visible improvement. New orders are scarce, and the small lots that are being booked are only for prompt delivery. Prices are unchanged as follows: Steel ship plates 18s 7s 6d, steel ship angles 17s 17s 6d, iron bars 110s 5s, steel rails 18s 10s. Iron ore: Best Rubio is firm on the basis of 22s 6d per ton, but practically no business is passing. Coke: Sellers quote 17s 6d per ton delivered furnaces, and it is in rather plentiful supply.

Our Sheffield correspondent writes:—Local conditions have not changed much, but now that stocktaking operations are at an end business may become a little more active. Signs of a considerable buying movement are still absent, and orders, although numerous, lack weight and value, and volume does not increase. Prices are weak owing to the severity of competition. There was a marked falling-off in the call for acid steel last month, and this branch continues flat. Specifications from both British and overseas railways are on a disappointing scale, and the railway steel departments are quieter than they have been for years. Makers of quality steels report demand equal to previous averages, and state that there is no decline. Price-cutting continues to disturb the market for Derbyshire foundry pig-iron. This is due to efforts to clear off surplus production at the furnaces and to avoid the necessity of putting some of them out of blast. This iron can be bought at prices varying from 59s to 61s, the former figure representing a drop of 4s compared with the beginning of the year. Demand for light steels, tools, and cutlery continues on a considerable scale, but is insufficient to keep the factories working with regularity.

Our Glasgow correspondent writes:—Conditions are quiet, and all works are closing down for the annual Fair holidays on Thursday or Friday for periods ranging from a week to fourteen days. Pig-iron prices are unaltered and business is rather less. There is no improvement in the heavy steel trade as a whole, as while home orders are a little more plentiful, export business is exceedingly small. Malleable iron makers are still finding business scarce. Black and galvanised sheets are both in good demand, although there has been a slight slackening off as compared with the past few weeks. Still, the position in this branch is highly satisfactory and order-books are well filled. The price for 1-in black is 18s 12s 6d and for 24-gauge galvanised and corrugated not less than 13s 10s per ton.

Our Cardiff correspondent writes:—Conditions in the South Wales tinplate trade continue fairly satisfactory. Factories are working up to 80 per cent. or more of capacity, most of them are also well booked ahead, and prices are firmly maintained. Galvanised sheet quotations are also steady at about 13s 10s per ton, while local steel bars are firm at 16s or slightly over.

OTHER METALS.

TIN.—Movements in the standard market were again attended by a good deal of irregularity, but prices ruled firmer on balance following improved advices from America and the East, and holders consequently showed more reserve. Stocks in London and Liverpool warehouses for week ending July 7th amounted to 2,144 tons, compared with 1,391 tons at corresponding period last year. Standard cash changed hands at 1206 to 1209 15s, 1209 7s 6d, three months 1203 10s to 1207 17s 6d and 1205 12s 6d. Sales in the East were reported at 1207 7s 6d to 1209.

COPPER.—Market developed a firm undertone in face of improved inquiries and lighter offerings. Standard cash sold at 162 17s 6d to 163 2s 6d to 162 18s 9d, three months 162 17s 6d to 163 7s 6d and 163 2s 6d.

LEAD firm, though slightly irregular at times. Good soft foreign pig, July, sold 120 5s to 120 8s 9d, August 120 7s 6d to 120 11s 3d, September 120 10s, October 120 13s 9d to 120 17s 6d.

SPELTER irregular and easier on some pressure to sell. July sold at 125 3s 9d to 125, August 125 to 125 1s 3d, September 125 3s 9d to 125, October 125 1s 3d to 124 18s 9d.

ANTIMONY quiet. English regulus quoted 159 10s to 160, foreign spot 140, July-August, sellers, 136 10s ton, c.i.f. terms.

ALUMINIUM.—Ingots and bars for home delivery 195, and special qualities up to 197 ton.

WOLFRAM steady. Straits quality quoted 15s to 15s 3d per unit, c.i.f. terms.

QUICKSILVER quiet. Spot 121 5s to 121 10s per bottle. TIN PLATES in better request. I.C. coke, prompt and forward, 18s 3d to 18s 6d per box, f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, July 11, 1928.

A few days warm open weather last week had the effect of checking the decline in crop conditions. Parts of Texas badly needing rains have been considerably improved by showers, and in the Eastern belt the fine weather there gave the farmers a chance of clearing some of the fields. Hot weather in Central and Southern Texas appears to have checked weevil activity, for the showery weather had been very favourable to the survival of weevil larvae. The Government figures of acreage were 46,695,000 against 41,905,000 last year, but this increase has been offset by the decline in the stands of roughly 6 per cent. Spot sales for the week 5th to 11th (inclusive) were 27,000 bales, of which 17,430 were American, 550 Brazilian, 4,000 Peruvian, 1,350 Egyptian, 950 African, 1,300 East Indian, and 420 sundries. Imports for the same period were 23,174 bales American, 2,039 Brazil, 5,752 Peru, 15,264 Egyptian, 925 African, 8,149 East Indian, and 919 sundries. Quotations 10-day are American middling, 12.28d; Egyptian sakel, 20.65d; Egyptian uppers, 14.85d; Brazil fair, 12.53d; Peru G.F. mod. rough, 13.20d; Peru smooth, 13.43d; East African G.F., 15.25d; West African middling, 12.13d.

MANCHESTER, July 11, 1928.

Demand for cotton piece goods is very featureless, and although it is now and again stated that more business is being done than appears on the surface, it is evident that spinners and manufacturers are fully justified in their complaints of limited trade and deplorable prices. In order to obtain contracts manufacturers are compelled to cut prices, and in numerous directions ridiculously low rates have been accepted. Spasmodic attempts have been made at arranging sales for India, but only occasional transactions have taken place, chiefly in light cloths, prints, fancies, and white shirtings. Limited quantities have been sold for China, and there has been no particular activity for any of the smaller markets. As anticipated, the further attempt of the Master



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Spinners' Federation to institute half-time working in the American spinning section has failed, as less than 80 per cent. of the members voted in favour of this scheme. Once again it has been found impossible to secure anything approaching unanimity amongst the spinning employers. In the meantime the position of producers tends to become worse, and there is a little more anxiety with regard to finance. Business in Egyptian yarns has been slow.

Comparative Statement of the Cotton Trade.

	1928.					Corresponding Date.	
	June 20.	June 27.	July 4.	July 11.	1926.	1927.	
Raw Cotton—Mid. American.....per lb	11.45	12.13	12.33	12.28	10.30	9.26	
—Bakelardie Fully Good Fair	20.50	21.05	20.75	20.65	17.10	17.00	
—Egyptian.....per lb	16.3	17.3	17.3	17.3	16	15.2	
Yarns—32's twist.....per lb	17	17.3	17.3	17.3	16.3	16	
—40's twist.....per lb	30.3	31	30.3	30.3	28.3	28	
—50's twist (Egyptian).....per lb	30.3	31	30.3	30.3	28.3	28	
32-in. Printers, 115 yds, 16 by 16, 32's and 50's	26	43	26	9	27	0	26
36-in. Shirts, 75 yds, 19 by 19, 32's and 40's	29	3	29	9	30	0	30
38-in. ditto, 38 yds, 18 by 18, 10 lbs	15	43	15	9	15	10	14
39-in. ditto, 37½ yds, 16 by 16, 8½ lbs	14	3	14	9	14	9	14

THE WOOL TRADE.

Our Bradford correspondent writes:—It is a truism in the wool trade that it is the unexpected that happens, and this has once again been exemplified in the Coleman street Wool Exchange this week. Even allowing for the small quantity of wool available for the current auctions, most traders felt that values for merinos would show a slight ease; indeed, it would have occasioned no surprise if prices all round had declined, say, 5 per cent. from the May level. These expectations were based on the poor state of trade in the consuming centres, and it was argued with some show of reason that wool was too dear for spinners and manufacturers to be able to sell yarns and cloth. Once again, however, the wool position has been proved to be fundamentally sound; that is to say, raw material values are determined by world competition, and at present the world demand, apparently, is quite equal to the comparatively small supplies available. Both greasy merinos and crossbreds sold remarkably well in London on the opening day, and if opening rates can be maintained throughout the series there should be some improvement in the demand for tops and yarns. Prices now ruling in Bradford are well below replacement costs, and as there does not appear to be much prospect of any material decline in the price of the raw material, users will have seriously to consider the whole position and endeavour to induce buyers to toe the line. The immediate result of the strong opening in London is seen in a much firmer attitude adopted by topmakers, and the concessions which were obtainable last week are no longer to be had. It will be a difficult matter for spinners, however, to improve their position unless there is more response from the piece-goods trade; in fact, it is the lack of activity in the manufacturing section that gives cause for anxiety.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The fourth series of sales of Colonial wool commenced in London on Tuesday, and it must be admitted that the course of prices was such as was not expected by the majority of buyers, either home or Continental. A slight ease in merinos was anticipated, and to find a ready-buying spirit with this description practically unchanged, compared with the close of the May sales, indicates unmistakably that the current sales commenced in a very encouraging fashion. It proves once again that in spite of the persistently circulated depressing reports in Bradford and district, wool still occupies a very strong position and that values generally are sounder than the majority realised. More important even than the maintenance of values is the steady buying of all sections of the trade. Home trade buyers were certainly not very enthusiastic, for they are feeling the effects of the absence of any great consumptive requirements since the May series closed, but French and German buyers are apparently anticipating an increasing demand for partly and fully manufactured goods.

The description of wool in which the greatest change was seen was crossbreds. Greasy classes moved very encouragingly, and showed practically no alteration in prices compared with May. Fine and medium slipes must be called about 5 per cent. lower, but coarse slipes, including blanket wools, sold steadily at fully May rates. No doubt the quantity of these wools available has been the chief factor in bringing about the decline, but 5 per cent. is neither here nor there when slipe half-bred lambs are still realising fully 30d. South African wools are not always making fully last sale's closing prices, but the reception given to them is better than was expected. Up to 45d has been bid for one good line of super snow whites, and generally speaking, greasy wools sold about on the same clean basis as in May.

HIDE, LEATHER, AND ALLIED TRADES.

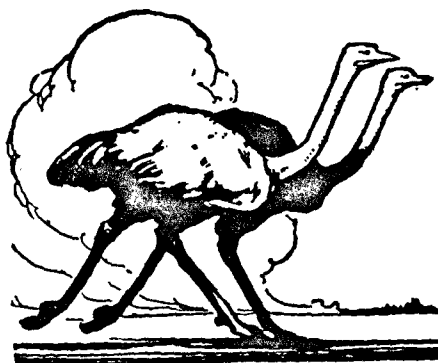
The hide market is recovering, and prices are again steadily advancing at all sources of origin. Home supplies are scanty, and best ox are now selling from 93d to 103d per lb, calfskins making about 113d for heavy and up to 153d for best lights. Cables from Chicago report a very firm position, with an advance of half cent on heavy steers, and making current price 24 cents. All other

classes of oversea hides are becoming firmer, and tanners are replenishing their supplies before prices get out of reach. Fregoric hides have sharply advanced this week, and best heavy Argentine ox are now quoted at 12½d and lights at 12¾d. Saladeros are firmer, and at the sale of 20,000 Leibig Colon hides 12½d was paid for heavy ox and 11¾d to 12d for light, or an advance of about 9 per cent. on last sales prices. Dry River Plates are advancing, and 19½d has been asked for dry B.A. Americanos. African hides are sharing in the advance, and have sold from 14½d to 19d per lb. The tone of the leather market is slowly improving, the advance in raw material having steadied the position. Quite a fair business has passed in sole bends in light and medium substances, although merchants do not seem disposed to order bulk quantities. With the advance in the hide market there is less talk about concessions in price, but it seems clear that tanners have here and there taken a penny or so less per lb to encourage business. On the whole prices may be quoted as firm, with a tendency to advance. In upper leathers the demand is dull, and curriers are short of orders for wax butts and semi-chrome. The trade in glacé kid has also fallen rather flat, and few orders have come to hand either for black or coloured stock. Patent is selling fairly well at firm prices, and there is a moderate trade passing in willow and box calf.

VEGETABLE OILS AND OILSEEDS.

Markets are more or less featureless and the volume of business small. Consumers have bought linseed oil more readily at the lower level of values which have been rather depressed by offers of Continental oil. Crushers, however, are holding for prices above the market. Current value of raw oil is around £28 15s per ton naked ex-Hull mill for spot and July delivery and £29 August. Cotton oils are neglected and inclined to become easier. Crude Egyptian ex-Hull offers at £33 10s, technical refined at £34 10s, and common edible at £37 5s. Palm kernel oil is slow, and rape oil easier.

In the oilseed section a small business in Plate linseed was done at the reduced values, but demand generally is poor and confined to near positions which are quoted around £15 15s for July-August and £15 12s 6d for August-September. The market is influenced to some extent by the heavy supplies on passage to Europe, which have advanced to 180,000 tons, or 8,300 tons more than a week ago, and compare with 144,800 tons at this time last year. The balance of the Egyptian cotton seed crops appears to be less firmly held at £11 15s afloat and £11 17s 6d July (for black). Trade in Bombay cotton seed for August-September shipment has been done at £9 7s 6d. Oil cakes are in slow demand, but prices are about unchanged.



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OVERSEAS TRADE RETURNS.

IMPORTS (Value C.I.F.).

	Month Ended June 30.		Six Months Ended June 30.	
	1927.	1928.	1927.	1928.
I.—Food, Drink, and Tobacco—				
A. Grain and flour.....	10,793,155	8,284,789	54,009,167	48,555,606
B. Feeding stuffs for animals.....	592,993	809,717	3,683,809	5,026,324
C. Meat.....	9,425,684	10,027,975	52,004,397	53,620,228
D. Animals, living, for food.....	965,008	1,233,154	6,145,857	6,413,622
E. Other food and drink, non-dutiable.....	16,895,004	17,406,484	82,020,723	88,629,810
F. " " dutiable.....	7,611,599	7,253,692	33,399,818	32,408,603
G. Tobacco.....	875,432	732,896	4,135,968	6,850,172
Total, Class I.....	46,904,345	45,814,704	259,405,139	261,504,445
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal.....	37,220	2,582	6,530,735	17,443
B. Other non-metallic mining and quarry products and the like.....	484,491	469,593	3,135,555	2,716,178
C. Iron ore and scrap.....	497,327	485,040	2,971,205	2,556,532
D. Non-ferrous metalliferous ores and scrap.....	1,431,751	1,287,501	7,511,954	8,394,767
E. Wood and timber.....	4,416,428	3,893,957	16,282,562	14,578,363
F. Raw cotton and cotton waste.....	4,645,593	6,582,762	39,547,612	40,377,274
G. Wool, raw and waste, and woollen rags.....	5,150,431	4,252,835	43,457,288	48,369,228
H. Silk, raw, knubs and nobs.....	140,210	109,667	912,408	877,254
I. Other textile materials.....	1,012,818	628,905	9,385,279	8,243,742
J. Oil seeds, nuts, oils, fats, resins and gums.....	4,248,181	4,075,964	24,063,213	23,381,850
K. Hides and skins, undressed.....	1,442,483	2,053,300	10,647,693	14,329,808
L. Paper-making materials.....	1,002,344	1,027,725	6,009,205	4,599,635
M. Rubber.....	1,725,732	765,503	14,137,485	7,084,222
N. Miscellaneous raw materials and articles mainly unmanufactured.....	772,247	800,997	6,408,119	5,590,654
Total, Class II.....	27,007,256	26,477,131	190,040,313	181,016,950
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel.....	7,565	78	119,436	5,696
B. Earthenware, glass, abrasives, &c.....	934,884	951,260	6,102,042	5,259,905
C. Iron and steel and manufactures thereof.....	2,571,859	1,798,424	19,681,358	12,737,809
D. Non-ferrous metals and manufactures thereof.....	2,517,637	2,959,601	16,645,860	16,145,038
E. Cutlery, hardware, implements, and instruments.....	543,498	715,393	3,677,617	3,900,570
F. Electrical goods and apparatus.....	312,095	339,810	1,832,185	2,088,913
G. Machinery.....	1,370,979	1,436,961	7,995,161	8,365,536
H. Manufactures of wood and timber.....	550,654	748,156	3,486,870	4,070,180
I. Cotton yarns and manufactures.....	716,989	814,972	4,627,007	5,402,821
J. Woollen and worsted yarns and manufactures.....	1,070,539	1,341,029	8,047,029	8,928,163
K. Silk and silk manufactures.....	1,230,419	1,116,973	8,670,079	7,550,124
L. Manufactures of other textile materials.....	1,280,792	1,128,086	8,100,219	8,150,824
M. Apparel.....	1,475,995	1,373,205	9,284,285	10,085,203
N. Chemicals, drugs, dyes, & colours.....	1,238,001	1,169,551	8,068,251	7,862,697
O. Oils, fats, and resins, manufactured.....	3,161,990	3,649,224	20,986,344	16,288,510
P. Leather and manufactures thereof.....	1,257,444	1,525,627	7,618,425	10,341,195
Q. Paper and cardboard.....	1,355,139	1,474,183	7,783,992	7,819,073
R. Vehicles (including locomotives, ships, and aircraft).....	1,062,106	930,340	7,538,530	4,793,166
S. Rubber manufactures.....	187,356	281,254	1,246,419	1,690,811
T. Miscellaneous articles, mainly or wholly manufactured.....	2,286,260	2,432,860	13,844,185	15,499,529
Total, Class III.....	25,131,801	26,164,997	165,355,294	158,795,793
IV.—Animals, not for food.....	195,813	256,690	1,030,216	1,054,840
V.—Parcel post, non-dutiable articles.....	105,657	655,914	1,434,546	2,865,825
Total.....	99,344,872	99,369,426	617,265,508	605,239,853

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Market conditions continue generally quiet, while prices show a gradual but marked drooping tendency, as the world's statistical position of the commodity becomes decidedly unwieldy. Distributors and manufacturers alike are not inclined to carry any excess of stock, as assured supplies are in sight many months ahead. It is now realised that Java can produce 3,000,000 tons, or in other words, over 500,000 increase without extension of acreage, due to a new and more heavily yielding variety of cane now planted. Following on this, the belief gains credence that crop restrictive measures will disappear next campaign, and their capacity of about 5,000,000 tons naturally prepares the trade for something resembling "glut" prices, particularly in view of the fact of a bountiful outturn in Europe, owing to weather conditions over a large area leaving nothing to be desired recently. Any backward districts are recovering. The Java Trust still quotes 14 guilders, but cables record outside mills as having accepted 13½. British refined reduced by 3d per cwt., except for yellow crystals. T.L. granulated, also Dutch J. spot, London, 25s 10½d; German, sold, 25s 6d. Home-grown Cantley, 26s. Shipment parcels very slow. Czecho granulated, ready, sold, 13s 11½d; November-December, 13s 3d, f.o.b., Hamburg. Dutch J. July, quoted 13s 10½d; November-December, 13s 7½d, f.o.b., Rotterdam. White Mauritius, spot, London, 24s to 24s 6d; and September-October, to London, f.a.q., 17s 1½d, c.i.f. Market for raws quiet and somewhat nominal. 96 per cent, foreign centrifugal, 12s; preferential, 15s 9d; and continental beet, 88 per cent., November-December, 11s 6d, c.i.f. White terminal section slightly irregular and lower. Sales include August delivery, 13s 10½d to 13s 9½d, and 13s 9½d; December, 14s 1½d to 14s 3d; March, 14s 3d; May, 14s 7½d to 14s 4½d. Cuban receipts last week, 38,950 tons, against 30,890 last year; exports, 70,330, against 73,460; stocks, 1,125,780, against 1,145,150. White terminal quiet and featureless. August, sold, 14s 3½d; December, 14s 3½d; May, 14s 7½d per cwt. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending July 7th amounted to 133,016 tons, against 148,888 tons at same time last year. U.K. imports during last month 165,130 tons against 150,742 same

EXPORTS of PRODUCE and MANUFACTURES of the UNITED KINGDOM. (Value F.O.B.)

	Month Ended June 30.		Six Months Ended June 30.	
	1927.	1928.	1927.	1928.
I.—Food, Drink, and Tobacco—				
A. Grain and flour.....	417,744	358,579	2,894,027	2,833,115
B. Feeding stuffs for animals.....	276,833	237,462	1,453,888	1,727,658
C. Meat.....	123,144	126,548	789,812	802,485
D. Animals living, for food.....	8,838	11,547	60,867	68,478
E. and F. Other food and drink.....	2,193,645	2,156,954	14,929,130	14,794,824
G. Tobacco.....	587,913	912,852	4,072,698	4,450,034
Total, Class I.....	5,644,117	3,803,942	23,770,422	24,676,594
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal.....	3,848,706	3,396,139	24,798,383	19,307,490
B. Other non-metallic mining and quarry products and the like.....	157,229	163,273	942,802	927,961
C. Iron ore and scrap.....	75,459	109,901	322,993	605,852
D. Non-ferrous metalliferous ores and scrap.....	217,900	133,411	1,070,186	895,270
E. Wood and timber.....	55,972	58,197	295,235	212,938
F. Raw cotton and cotton waste.....	113,412	146,220	591,019	766,043
G. Wool, raw and waste, and woollen rags.....	718,818	847,933	4,899,225	5,255,691
H. Silk, raw, knubs and nobs.....	4,761	4,612	27,847	21,935
I. Other textile materials.....	17,933	68,918	111,168	289,760
J. Oil seeds, nuts, oils, fats, resins, and gums.....	473,170	499,270	2,272,799	2,683,687
K. Hides and skins, undressed.....	194,294	250,117	1,540,753	1,763,841
L. Paper-making materials.....	109,243	130,677	643,678	733,457
M. Rubber.....	19,331	19,987	147,417	135,972
N. Miscellaneous raw materials and articles mainly unmanufactured.....	253,332	233,153	2,324,376	2,007,433
Total, Class II.....	6,259,560	6,061,814	39,587,881	35,636,740
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel.....	268,545	263,081	1,660,297	1,596,474
B. Earthenware, glass, abrasives, &c.....	1,025,841	1,158,462	6,477,216	6,270,237
C. Iron and steel and manufactures thereof.....	5,975,605	5,845,013	34,032,721	33,481,144
D. Non-ferrous metals and manufactures thereof.....	1,849,250	1,379,303	10,003,568	8,870,080
E. Cutlery, hardware, implements, and instruments.....	737,898	805,766	4,257,696	4,426,795
F. Electrical goods and apparatus.....	1,049,800	961,688	5,954,999	5,920,718
G. Machinery.....	3,888,973	5,052,708	23,851,432	27,542,138
H. Manufactures of wood and timber.....	179,567	211,920	1,066,634	1,138,133
I. Cotton yarns and manufactures.....	11,711,513	11,211,080	72,921,322	72,985,980
J. Woollen and worsted yarns and manufactures.....	4,464,888	4,822,528	26,356,490	28,189,875
K. Silk and silk manufactures.....	176,090	200,658	1,113,223	1,170,476
L. Manufactures of other textile materials.....	2,050,312	2,363,479	12,678,670	14,609,717
M. Apparel.....	1,683,106	1,844,216	11,734,226	12,432,883
N. Chemicals, drugs, dyes, & colours.....	1,987,025	2,185,502	11,529,567	12,825,894
O. Oils, fats, and resins, manufactured.....	618,355	701,239	4,534,754	4,401,452
P. Leather and manufactures thereof.....	585,095	871,788	3,468,496	4,966,655
Q. Paper and cardboard.....	670,414	797,651	4,437,189	4,614,128
R. Vehicles (including locomotives, ships, and aircraft).....	2,975,375	3,850,709	17,197,399	21,306,972
S. Rubber manufactures.....	274,394	334,896	1,629,024	1,782,740
T. Miscellaneous articles, mainly or wholly manufactured.....	2,759,931	3,152,565	16,148,258	18,054,734
Total, Class III.....	44,932,078	48,004,252	271,033,181	286,587,343
IV.—Animals, not for food.....	125,901	217,125	848,973	873,575
V.—Parcel Post.....	1,020,140	1,385,365	6,700,654	7,457,689
Total.....	55,981,796	59,472,488	342,341,111	355,231,941

(Continued on page 101.)

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TEA.—Despite the statistical position being somewhat heavy, business made good progress during the week, and 40,710 packages Indian auctioned were disposed of at prices showing no material change. Good competition ensued for the 27,936 packages Ceylon submitted, and a firm tone governed the market, with the exception of thin and poor liquoring parcels, which ruled mostly ¼ lb down. China teas quiet, and buyers are not frequent with regard to new season's on overland sample. Java auctions ruled tolerably firm.

RICE.—Apart from certain absorption by Indian houses, there is nothing to note in this market and which appears to have developed something approaching a fixed tendency.

BEANS.—Market idle and quotations nominally unaltered.

PEAS.—Spot parcels fully steady, but forward quiet. Japanese, spot, 24s 3d; with buyers at 24s; June-July, and July-August, sellers, 23s 4½d; new crop, September-October, 22s 6d, with buyers at 22s 3d cwt, c.i.f., London. Maple peas out of favour at the moment.

SPICE.—Pepper received fair patronage, and a firm tone prevailed. London stocks reduced 73 tons on the week regarding black, and 36 white. Lampong, May-July, sold, 1s 2½d; August-October, 1s 1½d to 1s 2d. Muntok, May-July, sold, 1s 1½d; August-October, 1s 10½d. Spot Lampong, quoted 1s 4½d; Muntok, 2s 1½d. Cloves firm. Spot sales of Zanzibar at 11½d; August-October, 11½d; October-December, 11½d; December-February, 11½d per lb. Pimento unaltered. Singapore flake tapioca, July-August to Havre, quoted, 21s. Penang seed, to Hamburg, 19s. Baathong Java, flake, unchanged. Sago flour, May-June, to the U.K., quoted 11s 10½d; forward at 12s to 12s 3d, as to position. Corona American starch powder, July-August, 16s, c.i.f., U.K. Dutch farina, July-August, quoted 14s 6d, f.o.b. terms. African ginger, spot, London, sellers, 55s per cwt.

FRUIT (Dried).—Currants firm, but demand restricted. Pyrgos quoted 51s to 52s; Patras, 52s 6d to 53s 6d; Amalias, 52s to 53s; Gulf, 54s to 56s; Vostizza, 59s to 62s; Australian, 60s to 64s. Sultanas quiet. Smyrna, common to medium, 38s to 55s; good to fine, 56s to 62s; Cretan, 48s to 65s; Australian, new, ranges from 55s to 78s; Californian, 40s to 51s; Cape, 42s to 45s; bleached, 45s to 69s. Raisins sell slowly. Valencia quarter boxes range from 33s to 36s; Australian Lexias, 34s to 48s. Figs, spot, slow, but a good business done in shipment parcels at firm rates. Genuine, spot, 27s to 30s, for shipment first half September, 23s; September, 22s to 23s, c.i.f. Dates quiet, and remaining stocks are mostly unattractive. Hallowsie, spot, 14s to 19s; Siar, 12s 6d to 16s, as to sample. Evaporated fruits: The general position remains steady, and although inquiries are more numerous, business shows no appreciable expansion. Spot stocks of plums are in moderate compass, and prices firm. Buyers show little interest in new crop, while anticipating easier conditions in the near future. Apricots in better request at full rates, and forward quotations tend higher. Pears and peaches are reservedly offered, and realised full rates, with a hardening tendency for new crop positions. Californian pears, extra choice, 85s; fancy, 97s 6d. Apricots, royals, new crop, best, 117s 6d; second, 90s 6d; third, 75s; Cape, new second grade, 80s; third, 70s. Californian peaches, choice, 62s 6d; extra choice, 65s; fancy, 70s. Plums: Californian, small sizes range from 31s to 38s; and larger, 42s to 62s 6d. Apples: Californian, spot, sliced, extra choice, 110s cwt. Almonds quiet, both spot and forward, owing to the high prices ruling. Apricot kernels: Indian sweet, spot, 110s; shipment, 90s, c.i.f. China, bitter, spot, 52s 6d; shipment, 56s, c.i.f. Hazel kernels: Kerasande, spot, 87s 6d; Barcelona, 92s 6d cwt.

CANNED GOODS.

CANNED FRUITS.—A spell of fine weather has stimulated demand, so that most descriptions of Californian fruits have moved off freely. Prices are well maintained, while prospects of the new pack indicate lighter offerings of apricots and peaches. Moderate arrivals of Australian sell readily at steady prices. The demand for Singapore pines is also improving, as present rates are fairly attractive, while quotations for Hawaiian to arrive are above spot parity. Italian tomatoes in moderate request on spot, but buyers evince little interest in shipment parcels.

CANNED FISH.—Sardines steady, with moderate inquiries. Portuguese clubs quoted 4s 9d to 5s. Salmon in better demand. Red tails, 49s to 51s; pink halves, 33s 6d to 34s 6d. Lobsters firm on small available supplies, and halves realise 140s to 145s. Japanese crab sold steadily, and best quality, spot, quoted 92s 6d to 95s. Forward position firm, but buyers are not following.

CANNED MEATS.—Market quiet for corned beef at late rates, but ox tongues steady. Lunch tongues quiet. Danish tinned hams in good request at full rates.

CONDENSED MILK AND MILK POWDERS.—Market firm, with a good demand for the time of year. Milk: Full cream sweetened, English, spot, 45s; Dutch, 38s 6d; July, 38s 9d; August-September, 40s 3d. Machine skimmed sweetened, English, spot, 27s 6d; Dutch, 23s 6d; July, 26s; August-September, 26s 6d; all in 5 cwt barrels. Powders: Spray, F.C., 26 per cent., 2 by 56 lb tins, prompt shipment, 91s; Spray, M.S., 1 cwt cases, 44s; Hatmaker, F.C., 26 per cent., 74s; ditto, M.S., 35s 6d, all nett, ex-wharf, London, duty paid. On the grocery side, F.C.S., 20s; M.S.S., 11s 3d, basis per case, usual packing.

HONEY.—In fair demand, and market steady. New crop Jamaica quoted 32s 6d to 47s 6d; Haiti, 31s to 47s 6d; San Domingo, 32s 6d to 47s 6d; New Zealand, 58s to 88s per cwt, as to quality.

RUBBER.

Business continues to proceed on steady lines, and there is a gradual tightening in near positions due to manufacturing requirements being fully sustained, while the persistent drop in London stocks is a stimulating factor. More confidence is also shown in distant positions, despite restriction to come off on November 1st next, as consumption is likely to be sufficiently good to absorb any excess supplies. Plantation standard sheet, spot, and July, sold, 9½d; August, 9½d to 9¾d; September, 9½d; October-December, 9½d, 9¾d, and 9½d; January-March, 1929, at 9½d; and January-December, 1929, 9½d per lb. London landings last week, 1,219 tons; delivered, 2,915; and stocks,

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decreased 1,696 tons to 36,915, which compare with 64,165 same time last year.

GENERAL.

JUTE.—The firm tone apparent in this market for some time past, became more intensified this week due to sustained buying orders from all quarters but the higher pretensions of sellers tended to curtail business. Meantime, the upward move receives considerable assistance from the fact that Calcutta mills are heavily booked for manufactured goods for some time ahead and large purchases on their part of the raw product. Dundee spinners also continue to enjoy a free sale of the finished article. The report as to the possibility of Calcutta mills working six days weekly instead of five as at present still goes round. Continental spinners are still after spot and afloat parcels. Firsts, spot, Hamburg, sold, £37 10s; June-July, £36 15s to £38 15s; July-August, £36 17s 6d to £39; August-September, £37 to £39; new crop, July-August, £40 10s; August-September, £38 17s 6d to £40 5s; November-December, £38 10s to £40 5s. Lightnings, June-July, £37; July-August, quoted, £37 10s; new crop, August-September, £37 10s; November-December, £35 5s. Hearts, July-August, £33 per ton. A buoyant market for hessians and twills, with the former still wanted by New York and River Plate. 10-oz hessians to the U.K., July-September, quoted 42s; October-December, 39s 6d; January-March, sold, 36s. 8-oz, January-March, first-hand offers, 31s, with second-hand difficult to find. More attention is given to the general utility B twill, and July-September, sold, 83s to 83s 9d; October-December, 83s 9d.

HEMP.—Manila grades again quiet, and any change in price claimed by buyers. Meantime, the statistical position, as far as Europe is concerned, is somewhat heavy. J2, July-September, quoted £37; K, £30 10s; L1, £30; L2, £26 10s; M2, August-October, sold, £27 to £26 10s; S1, £47 15s; S2, £45 10s; S3, £43 per ton. Sisal dull, unaltered. Mexican receipts last week cabled 12,000 bales; deliveries, 21,000; and stocks, 117,000 bales. Indian hemp fully steady, with buyers more interested. No. 2 Benares, four marks, July-September, sold, £22; nearer lots, £21 10s to £21 15s; and new crop, November-January, £22. Near at hand, f.a.q., sold, £17 ton. No change to note in the position of flax. Under unusually poor crop prospects, particularly Latvia and Lithuania, sellers require steady prices, but spinners merely operate to cover pressing needs. Italian hemp quiet and recent rates repeated. Manila receipts for the past week totalled 29,000 bales, against 22,000 at same time last year; estimate for next week, 24,000, and following week, 30,000.

SHELLAC.—An active and strong market resulted with slight irregularity in attendance at times. Consumptive requirements are sustained, and arrivals into London are readily accounted for. Fair T.N., spot, quoted 240s; August, sold, 227s to 240s; October, 230s to 232s 6d; December, 225s 6d to 230s; May-June, steamer, c.i.f., sold, 215s to 222s 6d; June-July, 220s; July-August, 225s 6d cwt.

COPRA.—This market furnishes very little matter for comment.

(Continued on page 104.)

With crushers still indisposed to exceed pressing needs, and speculative interest at an extremely low ebb, there is nothing in the general situation. Straits S.D., July-August and August-September, Rotterdam, quoted £27; Dutch East Indies, £26 15s; Ceylon, £28; South Sea K.D., to Marseilles, £26 5s. Others call for no comment. Palm kernels, July-August, to Hamburg, quoted £20 10s 3d ton.

MISCELLANEOUS.—Coconuts quoted 18s to 23s 6d per 100. Coir yarn, Ceylon, £18 to £28 15s; Cochín, £28 10s to £40; Ceylon bristle, £19 to £26; cinnamon leaf oil, 4d; citronella, Ceylon, 2s 2d; Java, 1s 11d.

TALLOW.—Messrs Colchesters and Woolner write on July 11th as follows:—The tallow market was firm during the week on the spot, and prices were fully maintained to-day. The few parcels offered have gradually found buyers at prices in sellers' favour. At auction to-day 807 casks tallow were offered, and 301 were sold. Quotations are:—Australian mutton: Fine, 43s; good to fair, 42s 6d to 40s; dull to dark, 38s 6d to 37s 6d; hard, 42s. Australian beef: Fine, none; good to fair, 41s 9d to 39s 6d; dull to dark, 37s 9d to 37s; sweet, 45s. Present shipment from Australasia—Good mixed, 41s, nominal. Present shipment from South America—41s. The market letter is unchanged. Town tallow, 37s 6d per cwt. Rough

fat, per 8 lbs value, 7½d; melted stuff, 27s 6d per cwt. Quotations are: Town, 37s 6d net cash, naked, ex works. Country—Frail casks, 38s; home melted, shipping casks, net f.o.b., good coloured, 40s 6d; fair to dull, 39s to 38s. Bone fat: white, none; pale, none; benzine, 33s; melted stuff, 33s, f.o.b.

METROPOLITAN CATTLE.—July 11.

British Beasts, per stone of 8 lbs to sink the offal. Sheep per stone.

Beasts—Norfolk	s	d	s	d	Beasts—Heavy Bulls	s	d	s	d
Irish	7	0	7	6	Canadian	9	0	9	8
Cambridge	7	0	7	6	Sheep—Downs	5	0	5	6
Short Horns	7	0	7	6	Half bred	5	0	5	6
Herefords	7	6	7	10	Ewes	9	4	10	0
Devons	7	6	7	10	Scottish	9	4	10	0
Leicester runts	7	6	7	10	Lamb—Downs	9	4	10	0

LONDON POTATO MARKETS.—July 11.

English Kidney	rounds	s	d	s	d
Jersey	rounds	6	0	6	6
St Malo	rounds	6	0	6	6

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, THURSDAY.				DYE STUFFS, &c.				METALS—B. Copper				SUGAR—per cwt, duty 11s 8d			
				Galls, China, Bengal.....				Best selected.....				38 per cent. polarisation s d			
				Turmeric, Bengal.....				Sheets (strong).....				B.W.I., muscovado.....			
				Madras, finger.....				Standard.....				Crystallised.....			
				Gambier, block.....				Lead Eng. Pig per ton.....				Java, white, Calcutta, July-Sept. 12 10 1/2			
				Cutch, ord. to fair.....				Soft Foreign.....				Do U.K..... June-July 13 3 0			
				DYEWOODS—				Spelter G.O.B.....				REFINED—London—			
				Brazil.....				Tin—English ingots.....				Yellow Crystals.....			
				Fustic, Jamaica.....				Do do bars.....				Crushed.....			
				Cuba.....				Standard, cash.....				Granulated.....			
				Lima Wood.....				OILS—Fish, per ton—				Castor.....			
				Logwood, Campeachy.....				Seal, pale.....				Pieces.....			
				Honduras.....				Linseed, p. ton net, naked.....				Home Grown (prompt) 26 0 0			
				Jamaica.....				Rape, refined.....				SPICES—Pepper, lb—			
				Red Sanders.....				Crude.....				Mustok, fair White.....			
				Sapang Ceylon.....				Cottonseed, ord.....				White Blam.....			
				FLAX—spot, c.i.f.....				Edible, refined.....				Pimento.....			
				Riga ZK.....				Coconut, crude.....				Cinnamon—1st sort.....			
				Pernau HD.....				Deodorised.....				Do 2nd.....			
				Slatetz Medium 1st sort 110 0 0				Palm.....				Do 3rd.....			
				FRUIT—				Lord, American.....				Cassia Ligna.....			
				Oranges, Denia & Val. 300 0 0				Petroleum—Oil, per 8 lbs 0/10 0/0				Cloves—Zanzibar.....			
				Do.....				Water-White.....				Penang.....			
				Do S. African boxes 18 0 0				Oil Cakes, Linseed, Eng. 12/2 0/0 12/5 0/0				Madagascar.....			
				Do Jaffa boxes 14 0 0				Oil Seeds—Linseed.....				Ginger—per cwt—			
				Do Murcia cases 300 0 0				Do Rape.....				Cochin, small rough.....			
				Do Vera cases 300 0 0				La Plata, p. ton July-Aug.....				Japan.....			
				Lemons, Naples.....				Bombay, p. ton July-Aug.....				Jamaica, ord. to good.....			
				Do boxes 25 0 45				Calcutta, p. ton July-Aug.....				Mace.....			
				Do Sicilian boxes 20 0 34				PORTLAND CEMENT—Best English				Nutmegs, 65's.....			
				Do boxes 21 0 39				per ton delivered, London 53/0 55/0				110's and 80's.....			
				Do Malaga boxes 0 0 0				Rapid hardening "Ferrocrete," 7.6				Chillies—per cwt.....			
				Grapes, Lisbon boxes 0 0 0				"Lightning" brand Aluminous Cement				TALLOW—per cwt.			
				Almeria barrels 0 0 0				100% to 105% per ton.				Good mutton.....			
				Val. Ona.....				PROVISIONS—				Beef.....			
				Apples: American.....				Butter—per cwt.—				TAPIOCA—per lb—			
				Alberville.....				Irish Creamery.....				E. I. Flake, fair, spot.....			
				Australian (var.) boxes 8 0 16				Do factory.....				Med. Medium Pearl.....			
				Tasmanian Boxes (var) 7 0 13				Do Argentine.....				Seed.....			
				HIDES—Wet salted—				Dutch.....				TEA—Duty 34d, British,			
				Australian.....				Bacon, engd.—Irish.....				foreign, 4d per lb—			
				West Indian.....				Danish.....				Indian and Ceylon—			
				Cape.....				Canadian.....				Pekoe.....			
				Lisbon.....				American.....				Broken Pekoe.....			
				Oporto.....				Dutch.....				Orange Pekoe.....			
				Dry & Drysalted Cape.....				Hams—Irish.....				Green Orange.....			
				Madagascar.....				Canadian.....				Pekoe Souchoong.....			
				Central American.....				Lard—Irish bladders.....				TIMBER—ex. yd—			
				Buffaloes, Singapore.....				American boxes, 56 lbs 61 6 62 6				Swedish u/s 3 x 8, Pt. Sid., 19 0 0			
				Penang.....				Pork—per 8 lbs.....				Do.....			
				Marko Hides, London.....				Beef—Frozen.....				Do.....			
				Best hvy. ox & heifer.....				Scotch.....				Do.....			
				Do light.....				Cheese—cwt—Canadian.....				Can/dn Spruce, Dis., 17 10 0			
				2nd ox, heavy.....				New Zealand.....				Pitchpine.....			
				Do light.....				Eng. Cheddars.....				Rio Deale.....			
				Best cow.....				Cheshire.....				Teak.....			
				2nd do.....				Dutch.....				Honduras Mahg. logs, c.f., 0 11 6			
				Best calf.....				Eggs, per 120—English.....				African.....			
				2nd do.....				Irish.....				American Oak Boards.....			
				INDIA RUBBER—lb—				FLOUR—280 lbs—				Do Ash.....			
				Para, fine hard spot.....				London standard ex mli 41 0 0				English Oak Planks.....			
				Plantation sheet.....				RICE—per cwt, c.i.f.—				Do Ash.....			
				INDIGO—per lb				Rangoon, No. 2.....				TOBACCO—			
				Bengal, gd red vto. to fine.....				Broken la.....				Duty 8/10—11/2d per lb, Empire			
				Mid, ord. vto. to good.....				ROBIN—per ton—				growing, 6/3d per lb,			
				Low to good ord.....				American.....				Common to fine.....			
				Madras, dry leaf, good.....				French.....				Srips.....			
				Do low to ord.....				SAGO—Pearl, per cwt.....				Common to fine.....			
				Kurpah, gd. mid. to gd.....				SHELLAC—per cwt—				Srips.....			
				Low to mid.....				Orange sac marks.....				China.....			
				HEMP—per ton—				Second, fair to fine.....				Borneo and Sumatra.....			
				Italian P.C.....				TN Orange.....				Nyasaaland.....			
				Manila, July-Sept. "J2".....				Garnet, Lac. AC.....				Rhodesian.....			
				N.Z. H.P. fair, July-Aug.....				Button—Lac.....				Seedleaf.....			
				JUTE—Native first mks. June-July 38/15/0				Bloody (TN).....				Havana.....			
				" "											

money at the highest of these rates for as long a period as a month. Apart from the influence of New York, there is now no doubt that the Bank has regained control of the market, while an additional factor accounting for the present comparative stringency is the continued excess of Treasury Bill issues over maturities.

Partly in sympathy with the rise in New York, discount rates have increased, and while some houses were calling market rate "a firm $4\frac{1}{8}$ per cent.," $4\frac{1}{8}$ per cent. would probably be nearer the mark. In any case, there has been a rise of $\frac{3}{8}$ per cent. during the past fortnight, and this in itself is significant of what has happened. The Continental demand for bills is less than it was earlier in the year, and French purchases are now barely equivalent to maturities of bills in French possession.

	July 19, 1928.	July 12, 1928.	July 5, 1928.	June 28, 1928.	Previous Rate and Date Changed.
Bank Rate	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$\frac{5}{8}$ (Apr. 21, '27)
Banks' Deposit Rate	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$\frac{3}{8}$ (Apr. 21, '27)
Discount (Call)	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$\frac{3}{8}$ (Apr. 21, '27)
Houses' Notice	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$\frac{3}{8}$ (Apr. 21, '27)
Market rate (3 months' bills)	$4\frac{1}{8}$	4	$3\frac{1}{8}$	$3\frac{1}{8}$	..

The Bank return reveals an increase of £1,587,000 in the stock of gold at £175,943,900. Circulation was reduced by £470,000 to £135,891,000. Reserve stands at £59,802,800, or £2,057,000 higher than a week ago. The proportion of reserve to liabilities is $48\frac{3}{8}$ per cent., as compared with $47\frac{3}{4}$ per cent. last week and $29\frac{3}{8}$ per cent. a year ago. Public and Other Deposits rose by £178,500 and £2,289,200 respectively. Government securities rose by £760,000, but Other declined by £347,800. Currency Notes outstanding were increased this week by £161,600 to £297,088,500, which includes £1,251,800 for Notes called in but not yet cancelled. The fiduciary issue is £239,586,700, or £5,348,400 below the maximum.

The National Bank of Austria has raised its discount rate from 6 to $6\frac{1}{2}$ per cent., thus restoring the rate ruling prior to the last change on January 27th of this year. The Imperial Bank of India has reduced its discount rate from 6 to 5 per cent., this following a reduction from 7 per cent. on June 21st.

The monthly statement of average weekly balances of the London clearing banks for June, which is given in detail on a later page, shows a slight increase in deposits and a fractional increase in acceptances.

Million £s.	Feb., 1928.	Mar., 1928.	April, 1928.	May, 1928.	June, 1928.
Capital and reserves	129.3	129.3	129.3	130.0	130.5
Acceptances	144.0	156.5	150.0	150.4	150.8
Deposits (incl. undiv. profits, &c.)	1,638.2	1,672.6	1,630.5	1,688.0	1,736.4
Total Liabilities	1,911.5	1,955.4	1,909.8	1,968.4	2,017.7
Coin, notes, balance at bank, and cheques in course of collection	243.1	238.8	247.7	247.1	259.3
Money at call	141.6	145.6	151.1	145.9	151.5
Investments	268.0	259.5	257.0	256.7	251.4
Discounts	223.8	195.5	197.1	198.9	234.3
Loans and advances	917.5	928.8	933.1	935.5	931.7
Cover for accept., premises, &c.	177.5	190.2	183.8	184.3	209.5
Total assets	1,911.5	1,955.4	1,909.8	1,968.4	2,017.7

Cash reached a record level for the half-year, while call money, discounts, and acceptances also increased. Investments were appreciably lower, and advances were slightly reduced.

NEW YORK MARKETS.

Our New York correspondent cables:—The share market, after reacting on the raising of the Chicago rate, grew dull and seemed to be oversold. But it rallied quietly on relaxation of monetary conditions and anticipations of a reduction in brokers' loans, which, however, turned out to be less than expected. Local banks have been reducing their loans, while other lenders have increased theirs. Meanwhile, the Federal Reserve statements show large movements of funds from the interior, with a corresponding big gain in reserves and a big drop in discounts. The New York Bank's reserve ratio shows an increase of 10.6 per cent. It is believed that if the share market remains quiet a further reduction in brokers' loans would make the monetary position reasonably comfortable in the autumn; but any revival of speculative activity would

make monetary firmness certain. Meanwhile, industrial activity holds up well, and the half-year's profits are proving slightly better than in 1927. The Department of Labour's June index of commodity prices shows a drop of 1 per cent., due chiefly to agricultural products.

THE STOCK MARKETS.

Business in the stock markets was quiet and uneventful. Gilt-edged were firm in tendency, though business was restricted. Home Rails were better, but the improvement was not fully maintained. The industrial markets showed no definite trend, speculative dealings being restricted. Rubber and tea shares were slightly more active, but Paris selling depressed the oil and Kaffir markets. The underwriters of the Commonwealth Loan were called on to take up 87 per cent. The lists of the following new issues, *inter alia*, were early closed:—Bovis (1928), Theatre Securities, Federation Tin Mines, British Phototone, Ner-Sag (Overseas), Brynmor Steamship, and O-Cedar.

THE COMMODITY MARKETS.

Once more little change is noticeable on the commodity markets, and trade generally remains dull. Wheat is cheaper on good crop reports. The coal trade remains inactive, and though Cardiff prices remain firm as a result of the marketing scheme, Sheffield states that it is feared that the "Six Counties" selling scheme may prove abortive. The iron and steel industry is passing through its usual period of seasonal stagnation, which this year is of an accentuated character. Tin is firmer on a rather better demand. Cotton was irregular, but lower on the week, despite the recent receipt of more bullish weather news. Manchester trade remains restricted. There is, perhaps, some slight improvement in the Bradford woollen industry, but conditions there are still difficult. Wool values were well maintained at the recent London sales. Jute prices are higher under speculative interests, and spinners and weavers are well employed. Hide prices have recorded a further advance, but the boot and shoe trades are now likely to remain quiet until the autumn. Oils and oil-seeds are quiet. Tea is irregular, and rubber firm.

FOREIGN EXCHANGES.

The foreign exchange market was quieter again in the past week, the principal features being the recovery of sterling against the dollar after a sharp fall last Friday, and certain fluctuations in the lira especially for forward delivery. Sterling stood up well against the influence of the advance of the New York and other Federal Reserve rediscount rates, and has recovered at the moment of writing to 4.86 $\frac{1}{8}$, as compared with 4.85 $\frac{1}{8}$ on Friday of last week. Forward discounts were at one time considerably wider than they were last week, dollars being more on offer; but in the end there was no great change at discounts of $\frac{1}{4}$ cent against $\frac{3}{8}$ cent, and $\frac{3}{8}$ cent against $\frac{1}{4}$ cent last week, for the two periods respectively. Montreal fell away from 4.87 $\frac{1}{2}$ to 4.88 $\frac{1}{2}$, and stands at a discount relatively to New York well beyond the gold export point as between Canada and the States. This is the lowest level at which the Montreal rate has been held in New York for a very long period, and is the more unusual because at this time American tourist traffic in Canada is at its height. Forward Montreal, however, passed to a premium from round about par, the quotations below spot being $\frac{1}{4}$ cent and $\frac{3}{4}$ for one and three months respectively. Paris was a trifle better on balance at 124.23, forwards being at premiums of 7 and 18 centimes for the two periods. Brussels was weaker at 34.92 $\frac{1}{2}$; forward belgas were rather more offered at slightly wider discounts of 2 and 4 centimes. Milan spot finished up better at 92.82 after fluctuations, but the discounts for one and three months widened from 4 to 9 centesimi and from 11 to 28 centesimi. The retirement of Count Volpi, the Minister of Finance, was no doubt contributory, but the real cause must be traced in the increasingly heavy excess of imports over exports revealed in the May trade figures. Madrid was unmoved for both spot and forward. Of the other exchanges, Berlin improved at 20.38 after being 20.37 $\frac{1}{2}$ owing to strong demand from Germany, and Geneva fell away from 25.24 $\frac{1}{2}$ to 25.26. Forward discounts were wider for Swiss francs at 1 and 2 cents and for reichsmark at 3 and 9 pfennigs for the two

periods. The South American exchanges were all unchanged. In the Far East the rupee lost 1-64d at 15 57-64d, and the yen fell away by 9-32d to 1.10 17-32. The silver market was more active with free sales from New York, whilst the China banks operated as both buyers and sellers. Of the China silver exchanges, Hongkong was unmoved at 2s 0 $\frac{1}{2}$ d, but Shanghai gained $\frac{1}{4}$ d at 2s 8 $\frac{1}{4}$ d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended July 14, 1928:—

EXPENDITURE.	(000's omitted.)	RECEIPTS.	(000's omitted.)
Supply Services	5,290	From Revenue	9,735
Interest, &c., on Debt	1,140	Decrease in Balances	3
Sinking Fund	630		
Sundries	50		
Reduction of Debt	2,628		
	9,738		9,738

The total ordinary revenue amounted to £9,734,700, against £10,383,100 in the corresponding week last year. Property and income-tax yielded less at £3,308,000, against £5,235,000. Super-tax brought in £330,000, against £230,000. Estate duties, &c., produced £1,080,000, against £1,230,000. Customs yielded £1,961,000, against £1,265,000, and Excise £1,620,000, against £2,185,000. The week's operations showed a reduction in the National Debt of £2,628,000, as shown below:—

(000's omitted.)			
	£		£
Public Department Advances..	3,400	Treasury Bills	1,172
Sundries	400		
	3,800		1,172

The floating debt was reduced by £2,225,000 to £757,760,000.

FINANCIAL YEAR, 1928-29, April 1 to July 14, 1928.

	£		£
Expenditure	232,324,048	Revenue.....	149,225,831
		Amount borrowed ..	79,539,055
		Decrease in balances	3,559,162
	232,324,048	Total	232,324,048

ESTIMATES (New Basis), 1928-29.

	£		£
Expenditure.....	676,581,000	Revenue	*756,083,000
Sinking Fund	65,000,000		
Surplus	14,502,000		
	<u>756,083,000</u>		<u>756,083,000</u>

* Includes £13,200,000 from Currency Notes Assets.

SELF-BALANCING REVENUE AND EXPENDITURE.

£	£
Post Office	57,314,000
Road Fund	21,300,000
	78,614,000

The surplus of £4,239,000 for 1927-28 is carried forward.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—British Celanese, British North Borneo Company, Dorada Railway, United Dominions Trust, W. T. Henley's Telegraph, Argentine Navigation, Telephone Manufacturing, Charterland and General Exploration and Finance, Distillers' Company, and Transvaal Gold Mining Estates. Mr William H. Ross referred to the growing overseas investments of the Distillers' Company. The possible effects of the changed rubber situation on the economic life of the areas concerned were discussed by the president of the British North Borneo Company. The British Celanese meeting is dealt with in a "Note" in the Stock Exchange section of this issue.

The attention of our readers is drawn to a rearrangement of the matter appearing in THE ECONOMIST. Articles and notes of the week dealing with investment topics and company reports, a review of the markets, latest quotations of active securities, comments on new issues, and other news of special interest to investors have been grouped together under the general heading of "The Stock Exchange." This section commences in the present issue on page 129.

THE SAVIDGE ENQUIRY AND AFTER.

WHEN a special tribunal is appointed to investigate and report on a matter of urgent public importance, and its members fail to agree in their conclusions, the result is usually a disappointing inconclusiveness. But in the case of the Savidge enquiry, where unanimity has not been achieved, the cumulative effect of the Majority and Minority reports is by no means nugatory. To approach the reports with the proper mental perspective it is necessary to go back to the beginning, and recall the incidents which stirred Parliament and the country, and made the enquiry inevitable.

The salient admitted facts were these. Sir Leo Money and Miss Savidge, accused of an offence against decency in Hyde Park, were acquitted, the magistrate giving costs against the police, and even going so far as to refuse to submit Miss Savidge to the ordeal of giving evidence. This emphatic quashing of the charge led the Home Office to consider whether a charge of perjury should be brought against the Hyde Park police officers in question. Machinery was, therefore, set in motion to find out whether there was sufficient evidence to support such a charge. As one step of these enquiries, Miss Savidge, obviously a potential witness of unequalled importance, was fetched from her place of employment in a police car to Scotland Yard, and there interrogated at great length on the details of the case on which she had been so emphatically acquitted, without any notice being given to her or her family, or her lawyer.

Those in brief were the facts which caused the House of Commons to fulfil its primary function of defending public liberty and to demand immediate enquiry; and it is from the basis of those facts that the two Savidge Tribunal reports must be approached. Both the Majority Report, signed by Sir John Eldon Banks and Mr J. J. Withers, M.P., and the Minority Report, signed by Mr H. B. Lees Smith, M.P., confirm these facts. The former find that Miss Savidge should have been visited at home, and interrogated there, and that she should have been informed of the nature of the statement required from her. Further than that, they do not go, except to suggest that where charges affecting morals are concerned a woman should be present at the interrogation of a woman, unless the interrogated person expressly wishes otherwise. They dismiss the allegations of improper conduct of the interrogation, and accept the police version as against that of the girl. Further, they lay no blame on the police officials concerned, because they find that they acted according to established practice. The italics are ours, and we think that they are justified. If the appointment of the Tribunal had produced no other result than this, it would have been worth while. For this Majority Report shows that the procedure adopted to get a statement from Miss Savidge, which even it condemns, is what is allowed to go on by the present system. The establishment of that fact is highly important and disquieting. And when Mr Lees Smith, in his Minority Report, adds that "what happened to Miss Savidge can easily happen to any man or woman in her position," the pressing need for the Royal Commission on police procedure, promised by the Government, becomes patent to everyone; and it is immaterial whether Mr Lees Smith does or does not put it too strongly, when he says that "great perils to private citizens and to civil liberty have been revealed" by Miss Savidge's experience. If the Majority Report stood alone, it would be sufficient to convince any impartial person that certain practices have crept into police enquiries which are incompatible with the liberty of the subject and the national sense of justice.

But the Majority Report stopping where it does stop, the country owes gratitude to Mr Lees Smith for his courage in going on alone, and presenting a Minority Report which affords food for very serious reflection. We are not so much concerned by Mr Lees Smith's acceptance of Miss Savidge's version of what happened at Scotland Yard. Serious though the implied imputations are of false police evidence, mechanically corroborated, the most serious thing is that it is impossible for anyone to prove what happened in the room at Scotland Yard between 3 p.m. and 7 p.m. on May 15th. What happens at such interviews ought to be capable of proof. If Miss Savidge's

parents or lawyer had been present; if question and answer had been taken down by a stenographer, and not recorded by the antiquated method of one official dictating to another his idea of the gist of the girl's replies, then the Tribunal could have established the facts. Clearly, the whole important question of the method of taking statements, whether from accused persons or potential witnesses, is in urgent need of full and broad investigation.

So Mr Lees Smith paves the way for this fuller enquiry by posing fifteen questions concerning the system of Scotland Yard. We cannot go through the whole list, but here is the gist of some of the most pertinent:—

Is there sufficient security that the person making the statement is guarded from all improper pressure?

Has a practice arisen of making interrogations so prolonged that the interrogated person is under the influence of nervous exhaustion?

Do the methods survive, which were developed in the war period when under the Defence of the Realm Act the police were accorded powers which they do not now possess?

Are new regulations needed (a) to define cases in which the police call for a witness at his place of employment, (b) to revise the system of taking statements, (c) to define the conditions under which witnesses asked to go to Scotland Yard should be offered the opportunity of having their statement taken elsewhere?

Should there be a distinction between the procedure in taking a statement from a witness whose personal interests are not involved and in taking a statement from a witness whose statement affects his personal character and interests?

In these and the other questions which Mr Lees Smith puts there is abundant material for a strong Royal Commission to investigate. As he says, if all these questions are properly answered this unhappy case may work out for the public good and result in saving others from a most unfortunate experience. But three things are clear. There must be a Royal Commission. It must be appointed at once. Its personnel must be strong enough and independent enough to command the full confidence of the public.

Pending such fuller investigation, little more remains to be said concerning the Savidge case and the enquiry into it. But there are one or two points which should be noted before interest in the Savidge case is finally swallowed up by interest in a broader field of enquiry. What—we echo Mr Lees Smith's question—would have happened if Parliament had not been sitting at the time these incidents occurred? And to that question we add three others. How many a similar case might escape public notice if the name of a public man were not connected with it? How many people, having followed the Savidge tribunal proceedings, would willingly submit themselves, by their complaints against the police, to so trying an ordeal as that through which Miss Savidge was called upon to pass? Finally, was the letter in which Sir Archibald Bodkin peremptorily demanded from Sir Leo Money's solicitors a full statement from their client a proper letter for the Director of Public Prosecutions to write?

The Savidge reports have caused grave public uneasiness as to Scotland Yard methods, but they should not shake the nation's confidence in the fine qualities of the police force as a whole. Only two years or so ago the country was testifying its gratitude to the Force for its excellent conduct in a period of great trial. There is no reason why the country should feel that gratitude to be any less soundly based now than then. If the methods under which certain kinds of high detective work are carried out are wrong, they must be set right; and everyone, including those who, like ourselves, were critical of Lord Byng's appointment, should rally behind him in the performance of the difficult duty which someone has to perform, and which the Government of the day considers him the best man to tackle.

A RENUNCIATION OF WAR.

By the time that this issue appears it seems probable that the replies of the four principal European Powers to Mr Kellogg's note of June 23rd will have been made public. In the event, all these Governments have decided to accept the text as it stands interpreted by Mr Kellogg's pre-

amble, and to content themselves with affirming or reaffirming their own positions in their replies, without proposing any amendments to Mr Kellogg's drafting. Of the four, Germany has played the *beau rôle* by accepting promptly and without annotations. France and Italy followed at the end of last week, and on Wednesday Sir Austen Chamberlain announced in the House of Commons that the British reply had been handed in, expressing willingness to sign at any time or place agreeable to the United States.

Last week we commented on the anxiety which the British Government's procrastination was arousing in the country, and the Government seem to have been made aware of this public feeling through questions in Parliament and through the Press, for they have apparently "speeded up" the despatch of their note and they have vouchsafed explanations of the delay. The last day or two's delay was due to the necessity of communicating the final views of His Majesty's Government in Great Britain, by telegram, to his Governments in India and the Dominions, and Sir Austen Chamberlain can fairly claim that this necessity, which is peculiar to the conduct of British Empire foreign policy, makes it inevitable that our diplomacy should proceed rather more slowly than that of Governments which have merely to make up their own minds without consulting others. In this instance, however, the major cause of delay seems to have been a conference between the legal advisers of the British, French and German Governments, Sir Cecil Hurst, Monsieur Fromageot and Dr Gaus, on the question whether Mr Kellogg had now provided for the *desiderata* put forward by the French and British Governments in a form with which they could rest satisfied. The *desiderata* common to the French and British Governments were: First, that the Kellogg Pact should not debar States from waging war in their own defence when, in their own opinion, they were being attacked; second, that it should not debar them from carrying out their obligations under the Covenant of the League and under the Pact of Locarno; and, thirdly, that any violation of the Kellogg Pact by one signatory should automatically release other signatories from their obligations under the Pact as regarded the pact-breaker. These points were first discussed by the British and French legal advisers at Geneva, where they were attending the meetings of the League of Nations Security Commission, and they came to the conclusion that the articles and preamble drafted by Mr Kellogg, in the context of his covering note, did settle the points in a satisfactory way; but they thought that it might be as well to take their German colleague's opinion, and accordingly they visited Berlin. The result of their consultations with Dr Gaus was reassuring, for the German Government has evidently made up its mind to take a large view of the Kellogg Pact and of the possibilities which it opens up for the future of international relations, and is therefore not disposed to boggle over juridical interpretations which might conceivably affect German interests prejudicially.

There were, of course, further *desiderata* which were individual to the French and British Governments respectively. The French Government had stipulated that the Pact must not debar them from carrying out their obligations under treaties of neutrality to which they are parties; and Monsieur Briand, in the Note handed to the American Ambassador in Paris last Saturday, July 14th, has declared himself satisfied on this point likewise. As far as we are concerned over these French treaties, we need only observe that if they are compatible with the Covenant (as they seem, at least in form, to be), they will not be incompatible with the Pact, while if they proved to conflict with the Covenant they would fall *ipso facto*, since the Covenant is for France a prior obligation to them. The special *desideratum* of the British Government was the retention of a free hand to treat interference with certain territories, unspecified, which are not parts of the British Empire, as though they were British territory; and it remains to be seen whether, on this point, Sir Austen has returned to the attack. In the French Press it is prognosticated that he will now leave this point alone, and we hope that this forecast will prove correct. It is significant that, when he originally raised the point in a previous Note, and illustrated it by reference to the Monroe Doctrine, Mr

Kellogg ignored it, though he took pains to deal with all the other notes and queries which the British and French Governments laid before him. It is, indeed, evident that the point is embarrassing to the United States—the more so now that Great Britain has linked it up with the Monroe Doctrine explicitly. It is embarrassing because, in due course, the Latin-American countries will be invited to accede to the Kellogg Pact; and they might well hesitate to accede if there had previously been read into the Pact a doctrine which would render their rights under the Pact equivocal or, short of that, would create the impression that they were not being taken in on a footing of perfect equality with the other signatories. If the question of the mutual bearing of the Monroe Doctrine and the Kellogg Pact is raised at this stage, there is a real danger that the Latin-American Republics and the United States may find themselves at loggerheads—the Latin-Americans rejecting an interpretation of the Pact which endorses the Doctrine and the Senate of the United States rejecting an interpretation which abrogates it. No doubt Mr Kellogg calculates that, if sleeping dogs are allowed to lie just now, there is a reasonable chance of their turning out less awkward customers if they wake up later on. The fact is that the signature of the Pact is likely to be important, not as an end in itself, but as the opening of a new psychological epoch in international relations. What we have to hope from it is that, in the atmosphere which it will have created, issues like that between the Latin-Americans and the United States over the Monroe Doctrine or that between the Egyptians and Great Britain over the four outstanding questions which were reserved for future settlement in the British Declaration of February, 1922, will steadily become less difficult to handle than they are now in the prevailing international atmosphere of suspicion and apprehension.

In short, the test by which we shall have to judge the success or failure of the Kellogg Pact in the years immediately ahead will be: How far has this diplomatic instrument contributed to the solution of the essentially psychological problem of security? From the Peace Conference of Paris until the present moment we have been baulked in our efforts to solve the supreme international problem of our generation by being carried round in a vicious circle of Security chasing the tail of Disarmament and Disarmament the tail of Security. Last summer the Americans and the British, puffed up by their common pride in their capacity as "practical men," sought to solve the problem of naval disarmament in isolation, and failed miserably. The American reaction to this joint failure has been the project of the Kellogg Pact—a fine illustration of the human faculty of learning from one's mistakes, which is all too rarely displayed in diplomacy. Having failed last summer to come to terms over tonnage and calibres through attempting to abstract these technicalities from their psychological setting, we are now—on Mr Kellogg's initiative—making an effort to get our psychological relations right first before making our next attack upon our technical and juridical problems.

This, we take it, is the real meaning of the formal renunciation of war as an instrument of national policy—a renunciation which now seems to be assured by the favourable response of the four principal European Powers. The Kellogg Pact is not "a material guarantee" comparable to the increase of one's own navy by ten battleships or to the diminution of one's neighbour's navy by fifteen; and if anybody criticises it on the ground that it makes no difference on this plane, he will be arguing beside the point. The Kellogg Pact will play its part, if it proves a success, as "an outward and visible sign of an inward spiritual grace." It is the expression of a frame of mind, and if it is important that such expressions should be precise, it is also important that they should be clear and unfaltering.

AMERICA'S INTERNATIONAL PAYMENTS.

In a recent issue we gave a cabled summary of the figures of America's balance of International payments in 1927. The full text of Mr Ray Hall's report,* in its fifty-five pages of closely-printed detail, con-

* "Trade Information Bulletin," No. 552. U.S. Department of Commerce.

tains a wealth of information on every aspect of the problem, based in a number of cases on widespread and searching special inquiries. The result is a series of calculations which, while still in many particulars based on estimates, throw a great deal of new light on the economic situation of America.

The first point to which we would draw attention is that his later investigations have led Mr Hall to modify his estimate of America's balance of payments for 1926. Our readers will remember that the estimate published a year ago showed that America was not exporting capital at all in 1926, but that her visible net exports were approximately balanced by invisible net imports—two of the chief items of the latter being American tourists' expenditure abroad and immigrants' remittances home. The calculation of capital movements, however, which showed a modest surplus of exported capital, did not quite tally with this calculation of "current items," and the report put the difference down as "errors and omissions." The present report shows that the "errors" in 1926 were mainly in the current items statement, the most important corrections—made as the result of elaborate inquiries—being in the two items we have mentioned. The following are the chief differences:—

	Old estimate for 1926. mil. \$	New estimate for 1926. mil. \$
Credit—		
Net interest received	667	627
Debit—		
Immigrants' remittances, &c.	333	264
Net expenditure of tourists abroad	646	567

The reduction in net interest receipts is due to a higher estimate of payments to be made by America to foreign lenders rather than to smaller receipts from foreign borrowers. In the case of tourist expenditure, Americans travelling abroad appear from the result of a simple questionnaire filled in by Americans applying for passports to have spent on the average \$1,143, instead of \$1,254, as previously estimated. On the other hand, foreign visitors to America are estimated to have spent altogether some \$30 more than previously estimated. On the other hand, a large new item appears in respect of had debts on exports, payments for contraband liquor, and losses of various kinds. The net effect of all these changes is that, instead of a negligible balance of exported capital, America's net capital export in 1926, as shown by these current items, was about \$60 millions. Revision of the capital account items, however, show that there are still considerable discrepancies to be explained, for the latter indicate an outward balance of about \$250 millions. Clearly, Mr Hall, though gradually getting nearer to the truth, has still several problems yet to solve before the accounts of both kinds can be regarded as exact.

The figures for 1927, however, balance more closely, the chief items being as follow:—

CURRENT ITEMS.				
	CREDIT.	1926.	1927.	DEBIT.
Net merchandise, &c., export	266	543	567	617
Net interest receivable	627	674	627	249
Gold export	166	166	72	...
CAPITAL ITEMS.				
U.S. securities sold to foreigners	636	891	509	639
Foreign securities re-sold to foreigners	286	412	208	229
Sinking funds and redemption (net)	257	234	115	161
New foreign issues (net)	1,002	1,320	...	...

Thus in 1927 there was a considerable increase in the movement of long-term capital in both directions, but the report is unable to make any estimate of short-term movements which, though large in 1926, are believed to have been small in 1927. An interesting feature of the table is the increasing purchase of existing American securities by foreigners, the net foreign holding—after deducting repurchases by Americans—having risen from \$127 million to \$252 million. The geographic distribution of this latter figure is estimated as follows:—Canada, 135; Europe, 102; Latin-America, 10; and the rest of the world, five. The report, however, contains a warning that the compiler is not yet satisfied as to the results of the elaborate questionnaire sent to banks—from which the capital movements have been estimated—and some of the items may have to be amended as the result of subsequent inquiries which are proceeding. Taking

the figures on the basis of "current items," which are the more accurately known, the resulting balance of exported capital in 1927 is about \$670 million, of which some \$500 million represents the balance of goods and services of the rest an outflow of gold.

Some of the detailed tables reveal interesting features. Thus the increased merchandise surplus is accounted for to the extent of \$100 million by lower imports (reduced price of rubber) from Malaya and by increased exports of a similar amount to Canada and to Germany—the last phenomenon doubtless being connected with America's large loans to that country.

The direction of America's tourist traffic and of her immigrant remittances in 1927 was as follows:—

(Million Dollars.)					
Tourist Expenditure.	Immigrant Remittances.	Tourist Expenditure.	Immigrant Remittances.		
Canada.....	197	..	..	Sweden.....	4
France.....	190	..	..	Hungary.....	3
U.K.....	41	..	7.8	Austria.....	2.7
Italy.....	31.2	..	25	Russia.....	1.2
Mexico & W. Indies	31	..	12.2	Spain.....	1.5
Germany.....	20	..	10	Greece.....	1
Switzerland.....	15	..	1.2	Czechoslovakia	1
Belgium.....	10	..	1.5	Norway.....	8
Irish Free State	8	..	12	Portugal.....	3
Poland.....	6	..	17.3	Rumania.....	3

These figures are not all of equal value, as many of them come from the consular officers abroad, and are therefore based on a standard of comparison in which the personal factor plays a part.

Finally, the department's estimates of foreign investments in the United States of America for a few countries for which estimates have been made are as follows:—

	Million \$.
United Kingdom.....	1,360
Canada.....	722
Netherlands.....	300
Switzerland.....	200
Sweden.....	122

The report as a whole, with all its limitations, is a fine example of painstaking and far-reaching Government research on a topic which—as Mr Hoover observes in his introduction—"is perhaps the most important single computation in the entire field of its international economic relations." As examples of the greater understanding which the computation provides, Mr Hoover mentions two facts. The first that though foreign investments made by Americans had the apparent total of \$1,976 million, this total must be reduced first by \$328 million for refundings, discounts, commissions, &c., and second by \$977 million in respect of repayments on new foreign investments in America, leaving a net export, as shown above, of only \$670 million. The second fact is that "the capacity of foreign people to purchase American goods or to repay obligations to the United States" is enhanced by \$900 million in respect of tourist expenditure, immigrant remittances, and freight paid to foreigners. "These sums exactly offset the net amount paid to us by foreigners for interest on their private debts and upon their war debts to our Government." Mr Hoover is in these sentences suggesting a semi-political moral. But the conclusion we would draw from this study is that the results shown are so significant that other countries should go and do likewise.

THE BANKING HALF-YEAR.

ONCE more the midsummer interim dividends declared by the English joint-stock banks remain unchanged and while no profit statements are issued at this time, there is no reason to believe that any important change has taken place in banking earnings. The main income of the banks consists of interest on advances and investments, the yield from bills of exchange, the return on short loans to the market, and miscellaneous profits derived from acceptance business and other sources. Their main outgoing, apart from management expenses, is to be found in interest upon deposits. With regard to this last, there is one important distinction to be drawn and that is that while the rate of interest upon deposit accounts is to-day two points below Bank rate, no interest is allowed on current accounts. Hence, as the rate of the return upon the banks' assets is largely governed by Bank rate, it follows that the higher the last is the greater are the joint-stock banks' earnings.

It follows that the maintenance of Bank rate at 4½ per

cent. has served to prevent the shrinkage in banking profits that might have ensued had last year's expectations been realised and Bank rate been reduced to 4 per cent. A 4½ per cent. Bank rate means that the rate on advances is around 5½ per cent., or above the minimum of 5 per cent., and so a half point reduction in Bank rate would have entailed a similar reduction in the rate on advances. The margin of profit between advances and time deposits was 3 per cent., and between advances and current accounts the full 5½ per cent. These two margins compare with 3 per cent. and 5.8 per cent. for the corresponding half-year of 1927, and so, here there has been a slight reduction. On the other hand, there has probably been a little less need for provision for doubtful debts than there was in the period immediately succeeding the coal stoppage, so that in the end there is little real difference between the two half-years. As regards discounts, the average market rate has fallen from £4 3s 3d to £4 1s per cent., against a fall in deposit rate from an average of £2 16s to £2 10s per cent. Here the banks have gained 3s 9d per cent. on their deposit margin and lost 2s 3d per cent. on their current account margin. Once more there is not much in it. The average short loan rate has fallen from £3 17s 6d to £3 13s per cent., but these averages may not be wholly applicable to the clearing banks, who enforce a minimum of 3½ per cent. In any case, the gain and loss on the two margins roughly balance.

Turning to the figures of the half-yearly statements as at June 30th, we append a table comparing the aggregate figures of the "big five" banks with those of December 31st last and those of June 30, 1927:—

	(Million £'s.)		
	June 30, 1928.	Compared with Dec. 31, 1927.	Compared with June 30, 1927.
Paid-up capital.....	63.8	+ 0.6	+ 0.6
Reserves.....	52.3	+ 0.6	+ 0.6
Acceptances and endorsement	136.8	+ 18.6	+ 56.9
Deposits (includ. undivided profits)	1,595.3	— 13.7	+ 25.6
Total.....	1,848.2	+ 6.1	+ 83.7
Cash, notes, balances at bank and cheques in course of collection ..	257.2	— 18.1	— 1.6
Ratio to deposits.....	(16.1%)	(—0.7%)	(—0.6%)
Money at call and short notice	124.8	— 13.7	— 0.1
Investments.....	215.8	— 13.0	— 19.0
Discounts.....	223.6	+ 13.9	+ 43.7
Loans and advances.....	858.8	+ 16.1	+ 1.7
Premises and sundries, including cover for acceptances	168.3	+ 20.9	+ 59.0

Two facts emerge from this table. These are the growths in discounts and acceptances. Both are, on many grounds, welcome movements. The gradual disappearance of the bill of exchange has long been lamented by those who hold that it provides the best and safest way of financing trade. Apart from this, the use of the bill of exchange is to-day largely confined to overseas trade, and so the growth in these items suggests not only a revival in foreign trade—confirmed to some extent by the latest trade returns—but also strengthens the report that London is regaining the acceptance business lost last year to New York. It must be remembered that the banks' acceptance figures include certain other items, such as forward exchange commitments, and so too much must not be deduced from them; but even so, it is fair to say that both discounts and acceptances are moving in the right direction.

In the next table we show the changes in the main balance-sheet figures for each of the five banks as compared with the December 31st figures:—

	June 30, 1928.	Barclays	Lloyds	Midland	National Provincial	Westminster.
Deposits.....	— 0.4	— 10.0	+ 6.6	— 6.2	— 3.7	
Acceptances.....	+ 3.1	— 0.8	+ 9.4	+ 3.3	+ 3.6	
Cash, &c.	— 4.9	— 4.0	— 4.0	— 1.6	— 3.6	
Money at call.....	— 4.1	+ 2.0	— 2.4	— 1.9	— 7.3	
Investments.....	— 3.6	— 1.7	— 5.9	— 1.1	— 0.7	
Discounts.....	+ 3.5	— 6.7	+ 8.8	— 3.2	+ 11.6	
Advances.....	+ 8.6	— 0.1	+ 10.2	+ 1.3	— 3.9	

Four of the banks show a decline in deposits, while the Midland Bank has raised its deposits by £6.6 millions to a record height. Half the total increase in acceptances is represented, again, by the Midland Bank, while the Midland and Westminster Banks between them account for the half-year's increase in discounts, Lloyds Bank recording a distinct decline. The Midland Bank have realised some of their investments to meet trade demands, while the Westminster has preferred to call short money from the market. In general, this table gives evidence of some divergence in the policies pursued by the "big five."

The following table summarises the changes in the provincial banks' balance-sheets. Contrary to the policy of the "Big Five," Martins have added to their investments and reduced their discounts:—

COMPARISON WITH DECEMBER 31, 1927.
(Million £'s.)

	June 30, 1928.	Martins.*	District.	Manchester and County.	Williams Deacons.
Deposits.....	— 5.8	..	— 2.4	..	+ 0.2
Acceptances.....	+ 0.3	..	+ 0.6	..	+ 0.1
Cash, &c.....	— 1.4	..	— 1.8	..	— 0.9
Money at call.....	— 1.0	..	— 1.0	..	— 0.1
Investments.....	+ 2.6	..	..	..	+ 0.6
Discounts.....	— 2.0	..	+ 1.1	..	+ 0.6
Advances.....	— 5.0	..	— 0.1	..	+ 0.4

* 1927 figures are sum of those of Bank of Liverpool and Martins and Lanes. and Yorks.

The final table shows the ratio of advances to deposits in respect of the "big five":—

	RATIO OF ADVANCES TO DEPOSIT LIABILITIES.						
	June 30, 1914.	June 30, 1925.	June 30, 1926.	June 30, 1927.	Dec. 31, 1927.	June 30, 1928.	
Barclays.....	45.0	..	50.1	..	51.2	..	50.8
Lloyds.....	52.7	..	52.3	..	56.4	..	51.5
Midland.....	56.9	..	56.9	..	55.7	..	55.0
*Nat. Prov.....	45.0	..	52.3	..	53.4	..	53.4
Westminster	48.1	..	47.8	..	48.9	..	48.8
	50.7	..	52.0	..	53.7	..	52.4

* Union of London and Smiths.

The aggregate ratio has fallen slightly during the past year. This is probably due to the gradual "thawing out" of loans which were granted during the coal stoppage, and whose early liquidation proved impracticable. It is thus more a sign of an increase in the banks' strength than of a loss in their volume of business.

SUPERTAX AND SURTAX.—TWO TAXES FOR THE SAME YEAR.

THE general public, and indeed the persons directly affected, have only recently awakened to the fact that Mr Churchill has successfully put through another of the devices, of which he is so fond, of extracting more revenue out of a given tax than the poor taxpayer expected to pay in a given year. Twice has he played this trick upon the brewers by shortening their period of credit. The property owners he compelled to pay 18 months' tax in one year. Now a rather similar trick has been played upon the super-tax payer. The ordinary income-tax payer must be trembling in his shoes for fear that he may be the next on the list of Mr Churchill's victims.

In order to understand the discussions which have taken place in the House of Commons within the last two or three weeks with regard to the "double charge" of supertax and surtax, it is necessary to appreciate what the taxes called by these names precisely are.

The supertax is imposed by Section 4 of the Income-tax Act, 1918, as an additional duty of income-tax; it is charged by the following words: "In addition to the income-tax charged at the rate prescribed for any year there shall be charged, levied and paid for that year in respect of the income of any individual, the total of which from all sources exceeds £2,000, an additional duty of income-tax (in this Act referred to as supertax) at the rate or rates prescribed by Parliament for that year." For the current financial year, that is the year 1928-29, which

ends on April 5, 1929, supertax is to be "charged, levied and paid" for the year. Supertax, however, will be brought to an end at the end of the current year, because Section 38 of the Finance Act, 1927, provides that supertax shall not be charged for the year 1929-30 or any subsequent year.

For the purposes of supertax, as for the purposes of most of the cases of income-tax, the income on which supertax is payable is not the actual income of the year for which the tax is charged, but is a statutory or notional income, that is to say, an income computed by reference to factors other than the amount of income actually received by the taxpayer in the year of charge. By Section 5 of the Income-tax Act, 1918, it is provided that for the purposes of supertax the total income of any individual from all sources shall be taken to be the total income of that individual from all sources for the previous year. It is essential, however, to bear in mind that although computed by reference to the income of a previous year, the charge to supertax is a charge for the year in which the tax is imposed.

The surtax, which is also an additional duty of income-tax charged upon persons whose incomes are in excess of £2,000 a year, was imposed by Section 38 of the Finance Act, 1927, and was charged "for the year 1928-29 and every subsequent year." *Prima facie*, therefore, there is a clear charge of supertax for the year 1928-29, and an equally clear charge of surtax for the year 1928-29. That this fact did not raise an immediate outcry when the Finance Act, 1927, was passed was due to two facts. Firstly, as has been pointed out by a learned judge of the High Court, the provisions of the Income Tax Acts are not intelligible to any persons other than experienced and specialising counsel. Secondly, the machinery of assessment and collection provided by the Finance Act, 1927, for the enforcement of the charge to surtax was so arranged that in the normal case of an individual whose income over a continuing period exceeded £2,000 a year he would not be called upon to pay more than one tax in one year; and, further, he would not be called upon to pay more than one tax calculated on the same amount of actual income received. For although the supertax is charged upon such an individual for and in respect of the year 1928-29, his supertax income for that year is calculated by reference to his income, as assessed for income-tax for, or receivable in, the year 1927-28; and the supertax for 1928-29 is payable on January 1, 1929. The surtax for the year 1928-29 is charged by reference to the income assessable to income-tax for, and receivable in, the year 1928-29, and is payable on January 1, 1930.

Now if an individual taxpayer were to live for ever he would never experience any inconvenience by reason of having been charged to both supertax and surtax in the year 1928-29. If, however, he were unfortunate enough to die in the year 1928-29, his representatives would find themselves called upon to pay his supertax for the proportion of the year 1928-29 up to the date of his death and they would also have to pay the surtax charged upon him for the same period. Once this was understood it was not entirely surprising that in the present House of Commons forty-two Conservative members were moved to the point of voting against the Government. It is not an unreasonable assumption that had more members understood the position involved, the number of rebels would have been increased. But—and this is the gravamen of the dissatisfaction which has been voiced in so many quarters, including the High Court of Justice—these consequences were clearly understood by the Chancellor of the Exchequer when the provisions of the Finance Act of 1927 were proposed to the House of Commons, and the double liability to be extracted from the estates of supertaxpayers who might die in 1928-29 was, in the Chancellor's view, an essential factor in the balancing of his Budget, and a necessary concomitant of certain other changes which he then proposed. It is scarcely creditable to the Government that the true purport of these provisions should not have been revealed until extracted in the course of debate a year after the House had been asked to pass them. Nor can the officials of the Inland Revenue Department—who are nowadays the real authorities by whom taxation is imposed on the country—really gain in the long run by methods of draftsmanship which, however ingenious, are not ingenious.

INDUSTRIAL PROFITS.

THE substantial rate of increase, revealed by our last quarterly analysis, in the earnings of British industrial joint-stock undertakings, has not been maintained during the past quarter. In the three months ended June 30th we have examined the profit and loss accounts of 556 companies, whose net earnings, after payment of debenture interest, &c., amount in the aggregate to £58,477,637, as compared with £57,729,860 earned by the same concerns in their previous financial year. The difference represents an upward movement of no more than 1.3 per cent., in comparison with an increase of 15.2 per cent. shown by the accounts of 504 companies tabulated during the first quarter of 1928. From the following table, which summarises the aggregate figures of the last four quarters, it will be seen that in the year ended June 30th the reports of 1,700 undertakings have been analysed, and that the profits disclosed show an increase of 5.8 per cent., against a decline of 2.1 per cent. recorded a year ago:—

NET PROFITS (after PAYMENT OF DEBENTURE INTEREST, &c.)

	Number of Companies.	Reports Published in		Increase.	
		1926.	1927.		
Third quarter	237	£ 19,076,856	£ 19,528,344	£ 451,488	% 2.4
Fourth quarter	403	33,431,785	33,525,160	93,375	0.3
First quarter	504	53,645,330	61,822,534	£ 8,177,204	15.2
Second quarter	556	57,729,860	58,477,637	747,777	1.3
Total	1,700	163,883,831	173,353,675	9,469,844	5.8

It will be appreciated that the working periods covered by the accounts published in any one quarter vary considerably, according to the length of time intervening between the close of the financial year of particular companies and the issue of their report. Thus, in a number of instances, the accounts analysed during the past quarter related to the twelve months ended December 31, 1927—a period covered also by many of the accounts included in our previous quarterly analysis. This factor should be borne in mind when considering the next table, which shows the quarterly movement of profits since the beginning of 1922:—

	1922.	1923.	1924.	1925.	1926.	1927.	1928.
First quarter	-43.4	+41.4	+8.7	+9.1	+7.6	-4.0	+15.2
Second quarter	-33.7	+22.1	+3.0	+11.1	+8.3	-5.7	+1.3
Third quarter	-23.5	+65.2	+2.3	+4.8	+2.8	+2.4	..
Fourth quarter	+3.9	+11.4	+13.3	+6.4	+3.8	+0.3	..
	-29.0	+30.6	+6.6	+8.7	+6.3	-3.0	..

With the reservation, as stated above, that there is inevitably a measure of overlapping in the quarterly analyses, it may be pointed out that, whereas the figure for the first quarter of 1928 indicated that the decline caused by the coal stoppage a year before had been more than made good, the small increase recorded in the second quarter of this year still leaves the quarter's profits at a level appreciably lower than that disclosed by the reports published in the second quarter of 1926.

Classification into groups of the 1,700 companies, whose reports we have examined during the past year, reveals several striking features:—

NET PROFITS (after PAYMENT OF DEBENTURE INTEREST, &c.)

	Number of Companies.	Reports Published in Year Ended June 30.		Increase.		Decrease.	
		1927.	1928.				
Breweries	94	£ 10,730,796	£ 11,874,690	£ 1,143,894	% 10.6	..	..
Canals	7	583,847	567,511	16,336	2.8	..	..
Elec. lighting & power ..	41	4,930,360	6,345,053	1,394,693	28.2	..	..
Gas	21	2,466,240	3,236,102	769,862	31.2	..	..
Hotels, restaurants, &c. ..	34	2,055,031	2,151,840	96,809	4.7	..	..
Iron, coal, and steel	121	2,465,843	4,324,099	1,858,256	75.4	..	..
Land, mortgage, &c.	78	6,279,251	6,650,878	371,627	5.9	..	..
Motor and cycle	35	2,870,658	3,069,977	199,319	6.9	..	..
Nitrate	18	140,972	331,592	190,620	135.2	..	..
Oil	361	16,362,003	14,635,543	..	..	1,726,460	10.5
Rubber, &c.	34	15,600,024	9,563,993	..	..	7,037,031	42.4
Shipping	60	4,465,074	5,846,590	1,381,516	31.0	..	..
Shops and stores	88	8,046,967	8,471,734	424,767	5.3	..	..
Tea	66	4,636,013	4,819,529	183,516	4.0	..	..
Telegraphs, &c.	15	2,184,992	2,176,053	..	..	..	..
Textiles	56	7,628,754	10,887,171	3,258,417	42.7	..	..
Tramways	27	1,762,904	1,891,827	128,923	7.3	..	..
Trust	102	8,094,732	8,995,003	900,271	11.1	..	..
Waterworks	25	779,405	858,494	78,089	11.4	..	..
Miscellaneous	445	60,778,905	66,643,126	5,864,221	9.6	..	..
Total	1,700	163,883,831	173,353,675	9,469,844	5.8	..	..

It will be observed that the decline in the profit of rubber companies amounts to over £7 millions, while oil companies' earnings are lower by £1,726,460. Against these decreases are to be set substantially higher figures of profit in the case of textiles, iron, coal and steel, shipping, and gas and electricity undertakings—the chief sufferers from the coal stoppage during the previous year's working—while the other groups, with two exceptions, also register a distinct improvement. If we eliminate from the foregoing table the figures of the tea, nitrate, rubber, and oil groups, which reflect conditions dissociated from the industrial situation in Great Britain, we find that the remaining 16 groups record an increase of over 13 per cent. in net profits, against a decline (similarly ascertained) of 4.5 per cent. a year ago. This evidence of rapid recovery from the adverse position occasioned by the events of 1926 is encouraging, and although the figure of net profits revealed during the past three months suggests that progress in the general rate of industrial profit is tending to slow up after the spurt immediately following the resumption of coal production, our analysis of the past three months' reports shows that, in comparison with the results disclosed a year ago, appreciable increases have been achieved by the iron, coal, and steel, the textile, and the "miscellaneous" groups. But for declines in rubber and oil profits, the quarter's increase would have been substantially higher.

Our next table indicates the distribution of earnings in each of the past four quarters:—

DISTRIBUTION OF PROFITS.

	Net Profits.	Ordinary Dividend.	Preference Dividend.	To Reserve, &c.
Third quarter	£ 19,528,344	£ 13,066,765	£ 3,592,584	£ 2,868,995
Fourth quarter	33,525,160	21,058,827	5,083,995	7,382,338
First quarter	61,822,534	36,557,829	11,093,506	14,171,199
Second quarter	58,477,637	33,960,930	13,115,605	11,401,102
Total	173,353,675	104,644,351	32,885,690	35,823,634

The last column includes the net amount by which balances carried forward were increased, as well as specific allocation to reserve. In the last quarter the proportion not distributed to shareholders was lower than in either of the two previous quarters, but compares favourably with the amount carried to reserve in the third quarter of 1927. In the second quarter of last year the proportion was reduced to 13.9 per cent., as a result of heavy drafts for dividend purposes on earnings diminished by the coal stoppage. The average for the past twelve months works out at 20.7 per cent., against 18 per cent. a year ago, and 21.1 per cent. for the twelve months ended June 30, 1926. The various groups apportioned their earnings as follows:—

	Net Profits.	Ordinary Dividend.	Preference Dividend.	To Reserve, &c.
Breweries	£ 11,874,690	£ 7,263,802	£ 1,620,942	£ 2,989,946
Canals	567,511	286,055	247,612	25,844
Elec. Light & Power ..	6,345,053	2,214,843	1,472,391	2,640,819
Gas	3,236,102	2,237,596	405,460	593,046
Hotels, restaurants, &c. ..	2,151,840	1,080,238	680,934	390,668
Iron, coal, and steel	4,324,099	4,268,897	2,012,244	Dr 1,057,042
Land, mortgage, &c.	6,650,878	4,431,080	969,433	1,250,365
Motor and cycle	3,069,977	832,579	725,829	1,511,569
Nitrate	331,592	235,000	..	98,592
Oil	14,635,543	10,098,996	1,772,465	2,764,083
Rubber, &c.	9,563,993	6,844,506	172,044	2,547,443
Shipping	5,846,590	1,968,479	1,262,432	2,615,679
Shops and stores	8,471,734	4,704,523	2,235,921	1,528,290
Tea	4,819,529	3,587,150	234,183	1,006,196
Telegraphs, &c.	2,176,053	1,497,878	231,615	430,560
Textiles	10,887,171	6,430,294	1,394,973	2,561,904
Tramways	1,891,827	1,744,452	636,877	540,498
Trust	8,995,003	5,800,482	1,986,979	1,107,542
Water	868,494	606,291	239,559	122,644
Miscellaneous	66,643,126	40,126,211	14,025,797	12,491,118
Total	173,353,675	104,644,351	32,885,690	35,823,634

Only one group, it will be noted—the iron, coal, and steel companies—paid away in dividends more than it earned. At the other end of the scale, the motor and cycle group distributed less than 51 per cent. of its profits, and the shipping group less than 56 per cent. Evidence of consistently conservative finance is once more given by the electricity and tramway groups, while the textile and gas groups, which were found a year ago to have drawn substantially on reserves for dividend pay-

ments, make a much more satisfactory showing this year. Examining next the earnings on capital, we give in the following table the ratio to total ordinary and preference capital of net profits and of the amounts placed to reserve:—

	Total Ord. and Pref. Capital.	Net Profits.	Carried to Reserve, &c.
1927.	£	£	%
Third quarter	197,974,378	19,528,344	9.9
Fourth quarter	312,907,190	33,525,160	10.7
1928.			
First quarter	530,963,258	61,822,534	11.6
Second quarter	558,893,092	58,477,637	10.5
Total	1,600,737,918	173,353,675	10.8

The year's ratio of net profits to total capital, 10.8 per cent., is the same as a year ago, and compares with 11.4 per cent. for the twelve months to June 30, 1926. The ratio of the amount reserved has risen from 1.9 per cent. to 2.2 per cent. for the twelve months. The figure for the past quarter, though lower than in the first quarter of this year, contrasts favourably with 1.5 per cent. in the corresponding quarter of 1927. The average rates paid on the nominal value of the three classes of capital are given below for each quarter since the beginning of 1925:—

AVERAGE RATES PAID.

	On Debenture Capital.				On Preference Capital.				On Ordinary Capital.			
	1925.	1926.	1927.	1928.	1925.	1926.	1927.	1928.	1925.	1926.	1927.	1928.
1st quarter	4.33	4.25	4.80	4.78	5.5	5.4	5.5	5.3	10.9	10.9	10.4	11.3
2nd "	5.40	5.14	5.30	5.43	5.8	5.8	5.9	6.0	9.9	11.7	11.8	10.0
3rd "	4.96	5.02	4.98	..	5.0	4.8	5.2	..	9.9	10.5	10.2	..
4th "	5.30	5.05	5.19	..	5.6	5.4	4.9	..	11.0	10.8	10.1	..
Year	5.11	4.96	5.08	..	5.5	5.4	5.3	..	10.3	11.1	10.8	..

For the past twelve months, as will be seen from our concluding table, the average rate of ordinary dividend is 10.5 per cent., against 11 per cent. for the preceding year:—

	Debenture Capital.	Rate of Interest.	Preference Capital.	Rate of Interest.	Ordinary Capital.	Rate of Dividend.	Rate of Div. a Year Ago.
Breweries	£ 38,543,633	4.5	£ 28,948,519	5.6	£ 45,669,633	15.9	16.1
Canals	2,307,098	3.8	5,483,310	4.4	7,035,006	4.1	3.9
Electric lighting and power ..	26,859,254	5.4	25,893,445	5.7	34,213,419	6.5	6.8
Gas	15,662,035	4.0	9,641,201	4.2	43,457,269	5.2	5.4
Hotels, restaurants, &c.	7,511,741	4.4	12,033,194	5.7	9,496,899	11.4	10.2
Iron, coal, and steel	59,711,647	6.3	67,641,243	3.0	139,930,274	3.1	3.3
Land, mortgage, &c.	27,091,156	4.3	22,242,728	4.4	49,953,969	8.9	8.9
Motor and cycle	5,404,885	6.6	11,875,626	6.1	17,345,666	15.8	15.8
Nitrate	3,143,121	6.8	..	..	12,193,900	4.8	4.9
Oil	9,271,572	6.5	24,583,307	7.2	63,812,268	11.2	23.8
Rubber, &c.	1,974,418	6.4	2,001,044	8.6	60,812,268	11.2	23.8
Shipping	14,787,950	4.9	20,308,455	6.2	35,148,851	5.6	4.9
Shops and stores	11,222,285	5.0	33,544,120	6.7	51,235,974	14.1	13.2
Tea	936,040	5.3	5,011,197	5.9	12,604,418	28.4	31.8
Telegraphs, &c.	1,913,003	4.6	4,550,180	5.1	18,837,711	7.9	7.1
Textiles	19,797,206	4.7	41,652,880	4.6	61,663,989	12.5	11.8
Tramways	22,519,154	4.8	11,727,837	5.4	15,445,122	4.6	4.4
Trusts	50,659,245	4.4	44,322,434	4.5	52,026,850	10.2	10.0
Water	4,338,883	4.6	4,828,165	5.0	7,221,614	7.0	7.1
Miscellaneous	78,524,004	5.4	225,816,206	6.2	290,564,337	13.8	12.6
Total	402,184,539	5.1	602,013,091	5.5	998,724,827	10.5	11.0

As compared with a year ago, the rate of debenture interest paid by the iron, coal, and steel group has risen from 5.7 per cent. to 6.3 per cent. The average rate of interest on the debenture capital of all undertakings remains unaltered at 5.1 per cent., while an average rate of 5.5 per cent. on preference capital—a figure which would be slightly lower but for the inclusion of participating preference shares—contrasts with 5.4 per cent. a year ago. As regards the rate of dividend on ordinary capital, it will be seen that a heavy decline is recorded by the rubber group, and to a lesser extent by the oil undertakings and tea companies. The rise from 12.6 per cent. to 13.8 per cent. in the case of the miscellaneous group is noteworthy. The relatively high rate paid by the textile group is a reflection of the prosperity of the artificial silk trade, while an average rate of 3.1 per cent. paid on £140 millions of ordinary capital is the iron, coal, and steel group is significant of the serious financial situation of the "heavy" industries.

A MEMORIAL TO COBDEN.

THE habit of erecting monuments to the dead is as old as the Pyramids. Indeed, it seems to be an instinct ingrained in human nature that men should desire to prolong the memory of themselves, and of those whom they love, by tablets or by the endowment of churches, colleges and universities. True fame is more durable than bronze or granite. True greatness requires no memorial. But the feeling of veneration which prompts us to preserve and restore, so far as may be, the homes of men of genius—of a Shakespeare, a Milton, a Goethe, a George Washington, a Walter Scott, a Jefferson, a Carlyle—who have conferred the glory of words or deeds upon their own nation, and put mankind in their debt, is no frailty but a wholly admirable trait in our nature. "Let us now praise famous men," is a fine exhortation to the youth of a country who may be inspired to generous deeds by the force of example and tradition. Biographies and portraits help us to save and revive what is most precious in our annals, but the things that can be seen and touched—the homes, the furniture, the gardens—of poets, philosophers, and statesmen, have often a special value in stimulating the sympathy and imagination. Every good American is grateful to the devotion which gave Mount Vernon and Monticello to the nation, and has restored, or is restoring, them as nearly as possible to the condition they were in when Washington and Jefferson took refuge from politics in gardening and agriculture.

In the same spirit Englishmen and Englishwomen of all creeds and parties must rejoice that Richard Cobden's surviving daughter has given Dunford—the home that he built near Midhurst in one of the loveliest spots of Sussex—to an association whose business will be to endow it and preserve it as a national resort—a place where conferences may be held, and where students may gather.

To readers of the *Economist* the preservation of Cobden's house with his library, furniture, and many historical treasures will give peculiar gratification. James Wilson, the founder of the *Economist*, was eminent among those who co-operated with Cobden and Bright in the work of the Anti-Corn Law League; and when the *Economist* was planned Cobden exerted himself to procure subscriptions from his supporters in all parts of the country. In the recently published memoirs of her father, Mrs. Barrington has retold the story of the early Free Traders, and how after 1838 Richard Cobden became master spirit of the movement, which culminated in the Anti-Corn Law League. She has reminded us also that Walter Bagehot was not merely a disciple but an adoring disciple of Cobden. Long before he became editor of the *Economist*, and Hutton of the *Spectator*, the two friends "would fly about London to any gathering where they had a chance of hearing Cobden speak."

In 1846, the year of the repeal of the Corn Laws (which Sir Robert Peel attributed to the unadorned eloquence and persuasive arguments of Cobden), Bagehot wrote to a schoolfellow: "I do not know whether you are much of a Free Trader or not. I am enthusiastic about—am a worshipper of—Richard Cobden." Twenty-one years later, in the *Economist* of April 8, 1865, Bagehot, in grief for the loss of his hero, printed an exquisite vignette which shows us in a few pages how Cobden struck his contemporaries, and what were the secrets of his amazing power. By that time Bagehot himself was in the first rank of English writers; nay, he excelled all others in the art of delineating the salient features of a public character, in nice discrimination of lights and shades, in balancing strength and weakness, just as in the art of detecting and displaying facial and physical characteristics the late Mr. Carruthers Gould excelled other caricaturists.

Cobden's later work for public economy, for the international reduction of armies and fleets, for peace and arbitration, for removing the misunderstandings and misjudgments which in his time nearly embroiled us with the United States and provoked a dangerous and costly rivalry with the French Navy, had only intensified Bagehot's enthusiastic admiration for the great Free Trader's character and public spirit. He tells us of the personal

charm by which this formidable agitator often won over his bitterest opponents, and of the logic which induced Protectionists to become Free Traders in their own interests. They felt that "they were hearing a man of singular and most peculiar genius, fitted as if by natural selection for the work he had to do." The appeal to enlightened self-interest was one of the methods by which Cobden persuaded men to be just and merciful.

Cobden was as effective in the country as in the town. He never forgot that he came of a long line of Sussex farmers, though circumstances had made him a Lancashire manufacturer. At first, Bagehot tells us, agriculturists when they saw and heard him "could hardly believe that the lurking smile, the perfectly magical humour," could be that of "a Manchester man," the founder of the Manchester School. In his speeches "he never spoke ill of anyone; he arraigned principles, but not persons..... Very rarely, if even ever, in history has a man achieved so much by his words and yet spoken so little evil as Mr Cobden." Capitalists as a rule do not like to be told by platform economists how to conduct their business; but Cobden, "by the personal magic of a single-minded practicability," made capitalists and workmen alike, employers and employed, feel that his policy was exactly what was wanted to relieve depression and restore prosperity. He converted the doctrines of Adam Smith into principles of policy and facts of real life: "If a thing was right, to Mr Cobden's mind it ought to be done; and as Adam Smith's doctrines were admitted on theory, he could not believe that they ought to lie idle, bedridden in the dormitory of the understanding." What Bagehot says about the League meetings, which he had himself so often attended, is worth recalling. "There has never perhaps been another time in the history of the world when excited masses of men and women hung on the words of one talking political economy." But keen as was the excitement, when they were listening to the sublime oratory of John Bright or the rhetorical thunders of W. J. Fox, it was the unadorned, argumentative, convincing eloquence of Cobden which stirred them most. His was the master mind. "The excitement was much greater when he was speaking than when anyone else was speaking."

As a statesman and political thinker, and, above all, as a constructive deviser of plans for removing friction between nations and laying the foundations of international concord, Cobden stands forth as an original mind. His doctrine of non-intervention is a case in point, and so is his handling of "the freedom of the seas." But we must forbear to elaborate this theme. Enough that the late Lord Morley counted Cobden as our foremost statesman in the nineteenth century, and that Bagehot in some fine concluding sentences declared: "He has left us, quite independently of his positive works—of the repeal of the Corn Laws, of the French Treaty—a rare gift, the gift of a unique character. There has been nothing before Richard Cobden like him in English history, and perhaps there will not be anything like him." Our readers will agree that in these simple but beautiful words supporters of the Cobden Memorial will find sufficient ground and basis for their action.

Notes of the Week.

Recent Bye-elections.—The recent crop of bye-elections has served to provide food for thought for all three parties. Their net result is that the Conservatives have held three seats and lost a fourth, namely, Carmarthen-shire, which they had gained through the secession two years ago of Sir Alfred Mond; the Liberals have regained this seat, but have lost Halifax to the Labour Party; while this last seat, in its turn, represents the Labour Party's sole win. Apart from Carmarthen-shire's repudiation of Sir Alfred Mond's defection from his old party, the chief lesson for the Conservative Party is that their safe seats are developing a bad attack of apathy, for in Holborn, Epsom, and Hallam alike the Conservative poll is greatly reduced. Party managers know better than anyone else that, once apathy is allowed to creep in, there is many a seat that may be lost, and the General Elections of 1906 and 1923 both drove this lesson home to

the Conservatives. Furthermore, in Halifax and Carmarthen-shire the Conservative candidate was bottom of the poll, which is a distinct humiliation for the Government and incidentally an emphatic verdict against Safe-guarding. As regards the Liberals, they only held Carmarthen-shire by the skin of their teeth, and they lost Mr Whitley's old seat. They are entitled to reply that the Carmarthen-shire organisation had been shaken to the core by the secession of the late member, and that the last time that Halifax was tested was in 1910, when it was a two-membered constituency, and divided its allegiance between Liberal and Labour. Also they can claim some small credit for their Epsom poll, though this is more than offset by the fate of their candidates in Holborn and Hallam. The Labour Party pulled off one of the two doubtful seats, and nearly won the other. On the other hand, they have learned that there are definite areas of the country where they cannot at present hope to win, and they must be asking themselves whether these areas are in the aggregate not so big as to destroy any hope they may have of obtaining an absolute majority in the near future.

The Assassination of General Obregon.—The assassination of General Obregon, the President-Elect of the Mexican Republic, is a serious misfortune for Mexico, quite apart from the question whether the policy for which he stood was in the best interests of his country. That policy was in many ways controversial; it included a radical secularism in matters of education and Church discipline, which was the cause of the present feud between the Republic and the Roman Catholic Church, and a radical nationalisation of land and of sub-soil minerals, which has produced long diplomatic controversies between Mexico and foreign Powers whose nationals' interests were affected, particularly the United States. This policy may have been too radical and too combative—though there is no doubt that very sweeping reforms were needed in Mexico after the long social stagnation of the Diaz régime—but assassination is never a cure for political ills, and in this case least of all, for what Mexico needs more than anything else, after the revolution which began in 1910, is stability. This stability she began to recover during General Obregon's first term of office from 1920 to 1924; she has retained it during the last four years, while the presidential office has been filled by General Obregon's political associate, Señor Calles; and when, a few weeks ago, General Obregon was elected to succeed his own successor, there was a prospect that twelve years of one continuous régime, uninterrupted by violence, might enable Mexico to put the revolution altogether behind her and to get well on the way towards reconstruction. In education and in many other departments of social welfare the improvement since General Obregon first took office has been very marked. It is to be hoped that this crime will not let loose again the forces of disorder.

The Breakdown of the Polish-Lithuanian Negotiations.—The two parallel series of negotiations between Poland and Lithuania—at Kovno for a pact of security and non-aggression, and at Warsaw for a restoration of communications and commercial relations—have now both broken down, and in both cases, apparently, the responsibility for the breakdown lies at the Lithuanians' door. Even when we make full allowance for the fact that most of our news comes to us via Warsaw, we are left with the impression that Professor Valdemaras, the Lithuanian dictator, has persisted in displaying an intransigence which does no good to Lithuania and some harm to Europe as a whole. Professor Valdemaras insists that, in any diplomatic instrument re-establishing relations between Poland and Lithuania, the Vilna corridor—between the actual *de facto* frontier of Lithuania, which has existed since 1920, and the frontier recognised by Russia in 1920 and again in 1926—must be recognised expressly as a disputed territory of which the political destiny still has to be settled. If the population of this strip, including the city of Vilna itself, were preponderantly Lithuanian, this intransigence would be intelligible; but the Lithuanian element there is actually smaller than the Polish, and it is hardly relevant to the Lithuanian case that the Poles

are themselves outnumbered by the White Russians and the Jews. The real grievance against the Poles—and this is a European and not merely a Lithuanian grievance—relates to the lawless manner in which the Poles originally entered into possession; but latterly the Polish Government has displayed real good will and self-restraint in attempting to arrive at a friendly understanding with Professor Valdemaras, and this ought to count for righteousness, however indefensible Polish conduct in the past may have been. It seems, however, that Professor Valdemaras has again brought Polish-Lithuanian relations to an *impasse*. For the moment he may do so with impunity, since the peace of Europe is sufficiently secure not to be upset by a feud between two countries in one corner of the continent; but Europe is aware that this feud might become a danger to her if the general situation were to take an unfavourable turn. Professor Valdemaras sometimes intimates that he counts on this in seeking to bring pressure to bear on Europe. We believe that he is making a mistake if he supposes that he can promote his country's interests in this way.

The New York Rediscount Rate.—It is a considerable testimony to the extent to which the London market has regained its independence that, although the New York rediscount rate has been raised by $1\frac{1}{2}$ per cent. since the New Year, London Bank rate has remained unchanged, and there is no suggestion that it will have to be increased. Last week's advance in the New York rediscount rate from $4\frac{1}{2}$ to 5 per cent. was not unexpected. Throughout the whole summer the New York Reserve Bank has been engaged in a struggle with speculative interests on Wall Street, and up till the end of June honours were, on the whole, "easy." It was clear that the Reserve Bank would have to bring reinforcements into the field, and it was equally clear that it was to the general interest that the new struggle should be short and sharp, and be decided in favour of the Bank. The 5 per cent. rediscount rate is the first heavy gun to be fired by the Bank, and it still remains to be seen whether by itself it will be strong enough to win an early victory. If so, it will at once be withdrawn, and, without specifying any definite time-limit, New York should be back to $4\frac{1}{2}$ per cent. by the end of the holidays. If this view is correct, the present strength of the position in London should be sufficient to permit of a $4\frac{1}{2}$ per cent. Bank rate being maintained, without any increase, not only against the 5 per cent. New York rate, but also throughout the whole period of the autumn strain. In other words, no change in Bank rate either way may be expected this year. The immediate effect upon the money market itself has been mainly in accordance with anticipations. The rising trend of American rates has caused her to forfeit to us much of the acceptance business she gained last year, while the pressure imposed by the Reserve Bank upon loans to finance stock purchases has driven American interests to try to borrow in London. Some of these attempts have met with success, and this accounts for the recent fall in sterling. An American bank which can lend money at all at 7 to 8 per cent. can naturally offer an attractive rate for a loan from its London correspondent, and while the London banks are not keen on this class of business, it is not easy to refuse it. Another recent development in London is the appearance of a new kind of Finance Bill, designed to finance transactions on Wall Street. Some of these are said to come very near to the "pig on pork" class of paper, and in general London is inclined to regard them as uninvited guests. In short, the London market is not likely to be put to any serious inconvenience as the result of recent developments in New York.

Imperial Airways New Agreement.—Details have been issued of an important change in the relations of Imperial Airways, Limited, with H.M. Government. The company came into being in 1924, in order to provide an aeroplane transport service between Great Britain and other countries, four existing concerns being amalgamated, viz., Handley Page Transport, Daimler Hire, Instone Air Line, and the British Marine Air Navigation Company. Under the terms of the Government agreement the company was to obtain a subsidy for ten years, falling from

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General Manager: W. A. WORKMAN, F.I.A.

£137,000 in the first four years to £32,000 in the tenth, and as profits during the twelve months ended March 31, 1927, were no more than £11,461 (as compared with a net loss of £20,415 in the previous twelve months) the company is obviously dependent on the subsidy for the continuance of its operations. No dividend has been paid as yet, the company being obviously still in the pioneer stage of its career. Under the new agreement the company will extend its field of activity, and carry out a more intensive flying programme, including the inception of a weekly air mail service to India. The Government subsidy will be increased to £2,760,600, spread over the next eleven years, while all liability to repay subsidies received or to be received will be cancelled in return for the issue to the Government of 25,000 £1 deferred shares carrying dividend rights after the ordinary have received 10 per cent. The Government thus obtains a share of the equity in a company with very considerable potentialities, political as well as commercial, while the company will be enabled to exploit the possibilities of a route on which mail transport—which seems likely to prove the most remunerative of all classes of traffic for the commercial aeroplane—is higher than on any other, existing or projected.

Empire Marketing Board.—From a purely economic standpoint the Empire Marketing Board has a case to make out for its continued existence. Its avowed object is the fostering of Imperial trade, and it is not concerned with the possibility that in so doing it may be forcing world trade into unnatural channels, to the ultimate detriment of the British Empire itself. If this risk is a real one, there is, *prima facie*, little justification for maintaining an organisation of this kind which incidentally involves the nation in some measurable expense at a time when economy is essential. On the other hand, there is no doubt that some of the work that the Board is doing is of the utmost possible value, and that even if the Board were wound up this work would have to be carried on by other Government departments. Hence the only fair way to judge the Board is to examine its work piecemeal, and to decide how much of it is essential and how much is not. The least justifiable side of the Board's work is its publicity campaign. Every child is taught, or should be taught, that Australia grows apples, and it is for the growers themselves to convince the world that theirs are the best apples, without having this and similar suggestions blazoned forth from every hoarding at the expense of the British taxpayer. The other two sides, namely scientific research and economic investigation, are not only justifiable but necessary. Questions such as the marketing of home produce, entomological research, and the improvement of methods of fruit transport, to select but two or three at random, ought to have been tackled long ago, and the only ground of criticism is that they had to wait until the Empire Marketing Board came into existence. Work of this kind, too, is benefiting the total flow of trade rather than attempting to force it into unnatural channels, as the publicity side of the Board's activities is in danger of doing. On the whole, less publicity and more research would be a wise policy for the Board.

Employment in June.—There was a further decline, on the whole, in the state of employment during June. According to the Ministry of Labour Gazette, among the

11.8 million workpeople insured under the Unemployment Insurance Acts of Great Britain and Northern Ireland, the percentage unemployed (wholly and partially) at June 25th was 10.8. This compares with 9.9 per cent. at May 21st and 8.8 per cent. a year ago. The total number of registered unemployed at June 25th was approximately 1,239,000, as compared with 1,143,000 a month ago and 1,032,000 a year ago. The following table gives the monthly movements in the unemployment percentage for some years past:—

PERCENTAGE UNEMPLOYED AMONG INSURED WORKPEOPLE IN GREAT BRITAIN AND NORTHERN IRELAND.											
End of—	1922.	1923.	1924.	1925.	1926.	1927.	1928.	1922.	1923.	1924.	1925.
January	16.2	12.7	11.9	11.5	11.0	12.0	10.7	16.2	12.7	11.9	11.5
February	15.7	11.8	10.7	11.3	10.4	10.9	10.4	15.7	11.8	10.7	11.3
March	14.6	11.1	9.9	11.1	9.8	9.8	9.6	14.6	11.1	9.9	11.1
April	14.4	10.9	9.7	10.9	9.1	9.4	9.6	14.4	10.9	9.7	10.9
May	13.5	10.7	9.5	10.9	8.7	9.9	9.9	13.5	10.7	9.5	10.9
June	12.7	11.3	9.4	11.9	8.8	10.8	10.8	12.7	11.3	9.4	11.9
July	12.3	11.5	9.9	11.2	9.2	9.2	9.2	12.3	11.5	9.9	11.2
August	12.0	11.8	10.6	12.1	9.3	9.3	9.3	12.0	11.8	10.6	12.1
September	11.9	11.7	10.8	12.0	9.3	9.3	9.3	11.9	11.7	10.8	12.0
October	12.0	11.7	11.1	11.4	9.5	9.5	9.5	12.0	11.7	11.1	11.4
November	12.4	11.5	11.0	11.0	10.0	10.0	10.0	12.4	11.5	11.0	11.0
December	12.2	10.7	10.9	10.4	9.8	9.8	9.8	12.2	10.7	10.9	10.4

* Excluding workpeople in the coal-mining industry who were disqualified for unemployment benefit owing to the dispute.

There were increases in unemployment in pottery, pig-iron manufacture, shipbuilding, textile industries other than silk and artificial silk, motor vehicle, glass, clothing, boot and shoe, and building industries. Nearly half the total increase in unemployment, however, occurred in the coal-mining industry, but this consisted mostly of persons temporarily stopped. A substantial improvement, on the other hand, was recorded in the tinplate industry. Improvement also took place in the printing and paper trades, and in canal, dock, harbour, and certain transport services.

Cost of Living.—There was no change in the cost of living during June. At June 30th the index number of the Ministry of Labour stood at 65 per cent. above the level of July, 1914. The same figure was recorded on June 1st, but as compared with June 30, 1927, shows a drop of 1 per cent. :—

AVERAGE PERCENTAGE INCREASE OVER JULY, 1914.—All items. (Food, Rent, Clothing, Fuel, and Light, &c.)

1st Day of	1918.	1921.	1923.	1924.	1925.	1926.	1927.	1928.
Jan.....	85.90	155	78	77	80	75	75	68
Feb.....	90	151	77	79	79	73	72	66
March...	90	141	76	78	79	72	71	64
April ..	90.95	133	74	73	75	68	65	64
May ..	95.100	128	70	71	73	67	64	64
June ..	100	119	69	69	72	68	63	65
July ..	100.105	119	69	70	73	70	66	65
Aug....	110	122	71	71	73	70	64	..
Sept....	110	120	73	72	74	72	65	..
Oct....	115.120	110	75	76	76	74	67	..
Nov....	120.125	103	75	80	76	79	69	..
Dec....	120	99	77	81	77	79	69	..

For food alone the index at 57 shows an increase of 1 per cent., as compared with a month ago, and a decrease of 2 per cent., as compared with June 30, 1927.

The Coal Export Position.—The possibility of co-ordinating the various district schemes for marketing coal exports is understood to have been the subject of recent informal discussions among colliery owners. The results of these conversations are not yet known, but with the issue last week of the June trade returns it is possible to view in clear perspective the export situation as it has existed in the first half of 1928. For the six months ended June 30th British coal exports have amounted to 24,577,697 tons, with an aggregate value f.o.b. of £19,307,490. How these figures compare with earlier periods may be seen from the following table:—

AVERAGE MONTHLY EXPORTS.		Average Value per Ton f.o.b.	
Period.	Thousand Tons.	Tons.	s d
1924	5,138	....	23 5
1925	4,235	....	19 10
1927	4,262	....	17 10
1928 (January-June).....	4,096	....	15 9

During the past six months values have been relatively stable after the almost continuous decline which brought down average export prices from 21s per ton in January, 1927, to 15s 9d per ton a year later. Comparison, however, of 1928 with 1925 reveals the significant and disquieting fact that, despite a price-cut of 4s 1d per ton, exports this year have been 139,000 tons a month lower than in the extreme depression three years ago. Taking the first half only of 1925, we find that in that period exports averaged 212,000 tons a month more than in January-June, 1928, while average values were 5s per ton higher. Further light on the situation is thrown by the results, summarised below, of an analysis of the course of exports to those markets which form our chief customers, and in which strenuous efforts by means of price-reductions have been made to regain ground:—

Destination.	Monthly Exports ('000 Tons).				Value per Ton.	
	Average, 1909-13.	1925.	1927.	1928 (Jan.-June).	1925.	1928.
Scandinavia (a)	826	605	492	325	17 2	13 11
Germany	753	347	353	418	15 7	13 2
Holland	182	127	193	189	17 2	13 11
Belgium	142	207	186	181	16 8	13 2
France	903	853	772	762	19 9	15 6
Italy	790	568	566	567	20 4	16 2
South America (b)	563	351	400	416	23 4	17 7

(a) Norway, Denmark, and Sweden. (b) Brazil, Chile, Uruguay, and Argentina.

Comparing 1928 with 1925, it will be observed that price-reductions range from 2s 5d per ton, in the case of exports to Germany, to 5s 9d per ton on shipments to South America. There is evidence of recovery of a moderate amount of ground in the Dutch, German, and South American markets, but exports to Scandinavia and France, despite cuts of 3s 3d and 4s 3d per ton respectively to those destinations, have fallen heavily, while a reduction of 4s 6d per ton in price has failed to stimulate Italian demand. Meanwhile the three districts—Northumberland, Durham and South Wales—chiefly dependent on the export trade, are making a loss of approximately 1s 2d in the aggregate on every ton commercially disposable. The Miners' Federation, whose annual conference has been in session this week, clings stubbornly to the formula of shorter working hours, contending that prices have been needlessly forced down by competition between districts, and could be appreciably raised without loss of business. The situation is scarcely such as to warrant any step calculated, like the repeal of the Eight Hours' Act, to increase production costs, but the export figures given above suggest strongly that no effort should be spared in exploring the feasibility of a nationally co-ordinated marketing scheme, and, thereafter, an international agreement for regulating sales and prices.

Iron and Steel Production.—According to the figures just issued by the National Federation of Iron and Steel Manufacturers, the number of blast furnaces in operation, at 141, is now lower than at any time since December, 1925, 10 furnaces having been put out of operation during the last month, and three blown in. For the most part the furnaces blown out ceased working towards the end of the month, so that the effect is not yet seen in reduced production, the daily output being but little less than in the previous month; the output of pig-iron in June amounted to 563,700 tons, compared with 591,500 tons in May and 651,300 tons in June last year. As will be seen from the table given below, the June output brings the total production of pig-iron for the first half of the year to 3,422,200 tons, compared with 3,728,900 tons in 1927. Although uninterrupted by any holiday period, and in spite of increased prices for Continental material, the steel output for June shows a substantial decline (709,500 tons compared with 752,700 tons in May). The total output for the first half-year amounted to 4,290,200 tons, compared with 4,989,100 tons last year. The following table compares production of pig-iron and of steel in each of the first six months of 1927 and 1928:—

PRODUCTION OF PIG IRON AND STEEL FIRST SIX MONTHS 1927 & 1928.

	Furnaces in Blast.		Production.			
	1927.	1928.	Pig Iron.		Steel Ingots and Castings.	
	1927.	1928.	1927.	1928.	1927.	1928.
January.....	152	148	Tons. 434,600	Tons. 560,500	Tons. 730,700	Tons. 626,200
February.....	166	148	571,100	550,800	826,800	764,400
March	178	150	671,800	592,600	949,600	793,300
April	189	149	680,000	563,100	850,100	644,100
May	184	148	720,100	591,500	884,600	752,700
June	176	141	651,300	563,700	747,300	709,500
Total	..	..	3,728,900	3,422,200	4,989,100	4,290,200

Imports of iron and steel in June (210,400 tons) were not only the lowest since the coal stoppage, but the lowest since September, 1925, except for May, 1926, when everything was dislocated by the coal and general strikes. Although imports had been consistently falling until they had reached 236,900 tons in May, the further fall in June is largely due to the dock strikes at Antwerp; the July figures will be awaited with interest. Imports of pig-iron still further declined, and at 6,000 tons are now practically negligible. While prices have been reduced sufficiently to exclude almost entirely foreign pig-iron, they are not yet sufficiently low to stimulate exports, and of the 365,900 tons of iron and steel exported in June only 33,200 tons were pig-iron. Of the steel exports, 54,700 tons were tinplates, and 54,200 tons galvanised sheets. The following table shows the imports and exports of iron and steel in each of the first six months in 1927 and 1928, and also the Board of Trade price index number for iron and steel and "all commodities":—

IMPORTS AND EXPORTS OF IRON AND STEEL, AND PRICE INDEX NUMBER FIRST SIX MONTHS 1927 AND 1928. (1913=100.)

	Imports.		Exports.		Board of Trade Price Index.			
	1927.	1928.	1927.	1928.	Iron and Steel.		All Com'ities.	
	1927.	1928.	1927.	1928.	1927.	1928.	1927.	1928.
January ..	Tons. 555,500	Tons. 283,900	Tons. 219,400	Tons. 332,200	127.8	112.9	143.6	141.1
February ..	443,400	286,900	251,700	317,000	126.8	112.9	142.6	140.3
March	478,100	271,500	353,000	409,300	125.9	113.0	140.6	140.8
April	401,700	252,700	334,500	344,300	124.5	112.7	139.8	142.9
May	355,900	236,900	422,400	359,000	112.2	112.3	141.1	143.6
June	332,600	210,400	366,100	365,900	119.5	112.3	141.8	142.6
Total	2,570,200	1,542,300	1,947,100	2,127,700	..	..	..	..

It will be seen that the total imports of iron and steel in the first half of 1928 amounted to 1,542,300 tons, or more than one million tons less than in the first half of 1927, when they were stimulated by the effects of the coal stoppage, while the total exports of iron and steel in the first half of 1928 amounted to 2,127,700 tons, or 180,000 more than in the corresponding period of 1927.

Shipbuilding Output.—The returns of shipbuilding in the second quarter of 1928, issued this week by Lloyd's Register, do not encourage optimism regarding the immediate prospects of British yards. As will be seen from the following table, work in hand in this country has undergone a substantial contraction, whereas the figure of tonnage under construction abroad has registered a fractional rise:—

TONNAGE UNDER CONSTRUCTION ('000's omitted).

	Great Britain.	Abroad.
December 31, 1926.....	760	1,173
December 31, 1927.....	1,580	1,539
March 31, 1928	1,441	1,452
June 30, 1928	1,203	1,458

The British percentage of the world total of work in hand has now fallen to 45.2, as compared with 50 per cent. three months ago, and an average of 57 per cent. in 1913. The detailed returns of construction abroad show that during the past three months work in hand in German yards has been reduced by 36,000 tons, to a present figure of 407,534 tons, while a decrease of 17,000 tons is recorded for Italy. On the other hand, the figures of tonnage building in France, Holland, Sweden, Russia, and Japan have risen in the aggregate by over 80,000 tons. To some extent the decline in the volume of work in hand in Great Britain is accounted for by the reduc-

tion in the tanker tonnage under construction, the latest figure of 202,896 tons comparing with 276,462 tons three months ago, and with 400,992 tons at this time last year. But, apart from the curtailment of this special type of construction, which was in a fair way to being seriously overdone last year, it is evident from this quarter's returns that the reports from the shipyards of a dearth of fresh orders during the past six months have not been without foundation. In the first half of 1928 the tonnage launched in this country has totalled 810,000 tons (a figure which contrasts with an annual output of 1,226,000 tons in 1927, 1,085,000 tons in 1925, and 1,932,000 tons in 1913), but only 621,000 tons have been put in hand. During the second quarter of the year launchings, at 403,168 tons, exceeded tonnage commenced by no less than 124,185 tons. The fears, expressed in these columns three months ago, that the British shipbuilding industry was in danger of reverting to a state of severe depression, have unfortunately been justified, the work commenced during the past quarter being no more than 60 per cent. of the average quarterly "commencement" in 1913. It is satisfactory, however, to note from the present returns that of the 46 vessels of 10,000 tons and over building in the world, 24 are being constructed in British yards. These 24 large vessels comprise 20 motor ships—a striking testimony to the progress of the internal combustion engine in application to large units. In this country, however, steam is still predominant as a method of propulsion for smaller ships, the total motor tonnage building in British yards being 547,000 tons, against 649,000 tons of steamers. Abroad the motor ship tonnage under construction amounted to 953,500 tons, or 65 per cent. of the total. Failing an unexpectedly strong recovery of cargo freights during the autumn—a development improbable unless means can be found to stimulate the breaking-up of much of the old but still commissioned tonnage which overhangs the market—it is to be feared that the British shipbuilding industry is faced with the prospect of yet another "lean" winter.

Canadian Asbestos and U.S. Law.—Our Ottawa correspondent writes:—There is at present in progress in the courts of the United States a lawsuit which is attracting considerable attention in Canada. Canada is the world's chief producer of asbestos, and, when the industry became involved in great difficulties during the post-war slump, many of the leading Canadian companies in 1925 joined in a merger under the title of the Asbestos Corporation. It produced about one-third of the record output of 1926, and the bulk of the balance was credited to three American corporations, which are large manufacturers of asbestos products and have mines and mills in Canada. In order to stabilise marketing conditions, the Asbestos Corporation two years ago entered into contracts for the marketing of the surplus output of these three manufacturing producers. But towards the end of last year one of the American companies withdrew from the contract on the ground that it was contrary to the Sherman anti-trust law of the United States, and the assistance of the United States Department of Justice has been secured to support this contention in the courts. The case has not been finally decided, but Canadian papers have severely criticised the action of the Department of Justice, and now they are being supported by the *Engineering and Mining Journal of New York*, which characterises the action of the Department "as unfortunate, to say the least, and creative of resentment across the border." And, it continues, "it is surely a strained sense of justice that permits and encourages domestic combinations to conspire in the fixing of prices for the export markets and views as immoral, unmoral, and reprehensible the formation of any similar combination in a foreign country which is exporting the resultant product to the United States." The *Journal* also points out that if the influence of the U.S. Department of Justice can penetrate into foreign countries, it can, for example, prevent the importation of diamonds as coming from a combine which restricts output and fixes prices, but would probably refrain from such a course because the slump which might follow suspension of combine control would be objectionable to owners of diamonds in the U.S. It declares that the present action not only harasses the Canadian industry, but may have the effect of making it impossible for the domestic producer

of asbestos to exist. The plain hint is that the Department is engaged in promoting the elimination of the smaller manufacturers of asbestos products who get their raw material from the Asbestos Corporation.

Malayan Possibilities.—Mr Ormsby-Gore, Under-Secretary for the Colonies, in a paper read last week at the Royal Colonial Institute, made some startling comparisons of the agricultural development of Malaya, Ceylon and Java, which were of more than passing interest to those interested financially in these countries. The full report of his observations and conclusions are to be issued as a Blue Book now in course of preparation and intended, we understand, for early publication. He informed his audience that although Java and British Malaya were almost the same size, each covering some 53,000 square miles (the same size as England without Wales), yet Malaya contained a population of only four millions, against the 38 millions of Java. What this means to agricultural development respectively in the two countries is shown by the fact that Malaya is only partially developed, "the greater part of the Peninsula," to use Mr Ormsby-Gore's own words, "being still virgin jungle." Java, doubtless under the pressure of the teeming population which must be supported, "is cultivated throughout the plains and right up the mountain sides, up to an altitude of above 6,000 feet. The only natural jungle left is the forests on the high mountain tops which are conserved for hydrological purposes." Ceylon, no more than half the size of Java or Malaya, though not, of course, to anything like the same extent, still has land to be brought under cultivation. These facts, especially those concerning population, may go some way to explain the great attention paid by the Dutch in Java to intensive cultivation, and to the science of tropical agriculture generally, which would appear to have been given greater practical application in Java than elsewhere. Many of the speakers who followed Mr Ormsby-Gore attempted to explain away the odious comparison, but without much success in view of the stubborn nature of the facts. Most interesting facts were also given of the hydraulic engineering adopted and laid down by the Dutch in Java, by means of which some 7 million acres given over to rice are under a system of perennial irrigation. High tribute was paid to the Dutch agricultural research station at Passoroan, and to the work of the smaller research stations maintained by the planters' syndicates. It was evident that a great impression had been made upon the Under-Secretary for the Colonies by his recent journeyings, especially in connection with the introduction of "bud-grafting" on rubber estates, in the future of which he has returned with a firm belief. Given any sort of adequate financial support, many interesting developments may be looked for in Malaya within the next few years.

Peruvian Exchange.—A correspondent writes:—In view of the greatly-improved financial position of Peru and the re-establishment of public confidence, which have become evident through the increased banking and commercial business being carried on, the Government is expected to act promptly upon the recommendation of the Committee, which, under the guidance of an American expert, has had under study the stabilisation of the Peruvian pound, the par value of which is \$4.8665. Stabilisation at or round about this figure is thought probable. Everyone agrees that the present situation of the Peruvian currency is anomalous, in that it is neither on a gold basis nor, strictly speaking, is it on what is ordinarily called a fluctuating, inconvertible paper-money basis. Although it is inconvertible into gold, it is not a purely fiduciary medium, but has a substantial backing, the availability of which is not so remote that it has ceased to count in the maintenance of a relative stability. The variation in exchange, which during the past few years has moved between 11 (1923) and 34 (1926) per cent. premium, has been attributed to the hitherto unfavourable trade balance. Since the end of last year, however, a general improvement in the trade situation has been noted, and the exchange value of the Peruvian pound has advanced steadily. The movement with an

upward tendency has continued during the first six months of the current year, thus offering a favourable opportunity to solve the exchange problem in the direction desired.

Social Science Research.—With the aim of overtaking the shortage in supply of trained men to conduct the work of scientific research in economics and sociology, a Committee of Social Science Research has been formed, under the chairmanship of Sir Josiah Stamp, and with a strong committee, on which points of view so different as those of Mr Reginald McKenna and Mrs Sidney Webb are represented. Endowed by "interested persons," this movement is empowered broadly to encourage development of scientific research in economics and sociology, and it hopes to raise additional funds for the purpose of setting up research scholarships for graduates and advancing co-operation between researchers of various nations. As a start the Committee is offering five scholarships to promote the study of economic problems "to which the statistical method of investigation is applicable." These are open to graduates of British Universities who intend to devote at least two years to working for an advanced degree. This movement deserves a hearty welcome, for, measured by the increased amount of social and economic research being carried on in the United States, Britain has a great deal of leeway to make up. The need of more skilled research workers and more trained teachers in this field is an urgent one. All communications should be addressed to the Secretary to the Committee, Mr C. E. R. Sherrington, "Byways," Queen's road, Belmont, Surrey.

DONATIONS for the fund to endow Dunford House—a project which is the subject of an article on a previous page of this issue—should be sent to the Hon. Treasurer, Cobden Memorial, the Cobden Club, 69 Victoria street, London, S.W. 1. Cheques should be made out to the Dunford House Fund

Oversea Correspondence.

LEAGUE OF NATIONS.—A MONTH OF MEETINGS—TRADE RESTRICTION AGREEMENTS—GOOD PROGRESS—BUDGET QUESTIONS.

(FROM OUR CORRESPONDENT.)

GENEVA, July 15.

A BUSY period of commissions and conferences has followed on after the fiftieth session of the League of Nations Council in June. They have included the Economic Committee, the Conference to consider reservations specified by various States with regard to the General Convention for the removal of import and export prohibitions and restrictions, the Conferences on hides and bones, the Mandates Commission, the Security Commission, the Malaria Commission, the Committee on the Codification of International Law, the Intellectual Co-operation Commission, and others. Much of this work has been technical in one direction or another, but has had an important bearing on several of the larger problems. The Conference on import and export prohibitions was a much greater success than had been anticipated, and if the necessary ratifications are obtained it will result in putting a virtual end to the system which has so long been a serious obstacle to economic recovery. The exceptions are much less numerous than was expected. Those agreed to are infinitely fewer in number than the prohibitions and restrictions which it has been agreed to abolish. Out of several hundred existing prohibitions, there remain only eighteen, of which ten have no importance for international commerce. This is a solid achievement, and a considerable step towards the greater freedom of exchanges advocated by the International Economic Conference. The agreement, which is a supplement to the General Convention, was immediately signed by twenty-six States, including Germany, France, and Great Britain. An interesting feature of the Conference was

the complete failure of the United States Delegation to attract any support in its effort to get a pronouncement on French restrictions on American films, and one of the arguments was that it was a cultural question which the French people could not be expected to ignore. The President of the Conference, who appealed to the Government delegates to use all their influence to secure early ratification, said it was the first important multilateral agreement which touched directly the relations between different peoples. Sixteen States also signed the international arrangement arrived at regarding the exportation of hides and bones. Eighteen interested States participated, and they found it possible to abstain from formulating any demands tending to maintain export prohibitions.

This is all promising work, and should be an encouragement to the Economic Committee to push forward with its formidable task in carrying out, so far as the League's part is concerned, the recommendations of the International Conference. The main business is the question of tariffs, which the Conference declared were too high, unstable, and arbitrary, blocking the channels of trade, raising prices, and handicapping production. At its last meeting the Committee had before it a draft Customs nomenclature, and when some such uniformity is definitely obtained, it will be easier to press forward towards a general reduction of tariffs. On this point the Committee suggests the first step should be to secure agreement to lower the Customs duties on a number of staple commodities, those suggested being aluminium, semi-manufactured iron, cement, leather, log and sawn wood, cellulose and paper, fresh fruits and vegetables, and rice. It will be recalled that the Economic Conference, and subsequently the Economic Consultative Committee, recommended that, pending agreements to reduce tariffs, Governments should refrain from raising their tariffs, and so create a favourable atmosphere for carrying out the preparatory work on these agreements. The Economic Committee is going cautiously in connection with the proposed coal and sugar inquiries; several of its members are to prepare memoranda on these subjects, and the Committee will consider what form the inquiries shall take when the memoranda are before them.

It is, however, just as well to say at once that if the League is to be permitted to continue its fruitful economic labours, it will not be without a fight. The Italians gave a clear intimation at the last Council meeting that they would be troublesome when the next Assembly considers the budget—always a convenient cloak for objections on policy—and the Supervisory Committee (a small body appointed by the Council to examine and advise on League budgets) seems in its report to be singularly unenthusiastic about the budget for the work consequential on the International Economic Conference, which amounts to £8,000, of which Great Britain's share would be about £800. Now, the Economic Consultative Committee, composed of authoritative people in Great Britain and in other countries, emphasised the value and urgency of the work they wanted to be put in hand at once, particularly going out of their way to select only such subjects as fall within immediate requirements. The Committee somewhat pointedly asserts that as the report unanimously adopted by the Economic Conference was unanimously adopted by the Assembly, and separately endorsed by the specific declarations of 29 governments, it is entitled to assume that there is a genuine and widespread desire that a serious effort should be made to carry the recommendations into effect, and that their execution has become an integral part of the work of the League, all the more important because interest and expectation have been roused throughout the world. These facts should settle the question as to whether the work is worth while—it would be difficult to find more authoritative, more definite, and more general official support—while the fact that the cost is £8,000 only for so much of urgent work should settle the question of expense. It is not conceivable, in any case, that Great Britain should hesitate for a matter of £800 as her share for what is of as much value to her as to any. So far as the Supervisory Committee is concerned, not only is the Budget of the

National Bank of Commerce in New York

Chairman of the Board
JAMES S. ALEXANDER

President
STEVENSON E. WARD

Capital Paid up	\$25,000,000
Surplus	\$40,000,000
Undivided Profits	\$5,000,000

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economic organisation singled out for hesitating reference, but the subject of the League Budget as a whole is brought to the attention of the Assembly as a matter of first-class policy, with an implied invitation to the Assembly to postpone or suspend certain of the tasks it has formerly approved. The reason given for this is the Committee's opinion that a general feeling existed that the Budget should be standardised at £1,000,000 except for special emergencies. The estimates for 1929 reach a total of 26,000,000 Swiss francs instead of the 25,000,000 (£1,000,000) standard, but the Committee at the same time notes that this estimate does not represent actual estimated expenditure on current League requirements. A surplus of one million francs may be counted on (there was a slightly larger surplus last year), and a sum of one and three-quarter million francs is earmarked for the building fund. The figure for current requirements is therefore under the 25,000,000 standard, and the Committee would appear to be unduly solemn and apprehensive. It is, of course, essential to ensure that the strictest economy is exercised, and that money is not devoted to unnecessary tasks, but finicky cheeseparing is too often allowed to take the place of a modicum of imagination. It is little short of ridiculous to treat on purely financial grounds a matter of £1,000,000 contributed towards essential peace work of every kind by 54 States. The British Government's contribution is some thousands of pounds below the figure it spends in advertising the Post Office telephone service.

There is only space for rapid reference to other subjects. The Security Committee has been drafting treaties for the peaceful settlement of all disputes; some of these include pledges of non-aggression that cover very much the same ground as the American Draft treaty for the renunciation of war, but, like the League covenant itself, contain not only proscriptions, but definite means of settlement in place of settlement by war. Perhaps we shall hear more of this when the draft treaties are considered by the Assembly in September, by which time some of the leading members of the League will doubtless

have signed the American pact. The main question before the Mandates Commission was the state of affairs in Western Samoa (under New Zealand's mandate), over which there has been a good deal of misinformation, arising from the anti-governmental agitation led by a handful of disgruntled European traders. It is generally assumed that the representatives of the New Zealand Government made out a convincing case, and that the main impression left on the minds of the Commission was that the Government had lacked vigour in dealing with the malcontents. New Zealand seems to be carrying out its mandate with every consideration and care. It will be interesting, however, to see whether the Commission made any enquiries from New Zealand's representative about the inexcusable document officially circulated amongst the natives giving flagrant misconceptions of the meaning of a mandate.

UNITED STATES.—FEDERAL RESERVE RATES—EFFECT ON SPECULATION—INDUSTRIAL CONDITIONS—PRESIDENTIAL CAMPAIGN.

(FROM OUR CORRESPONDENT.)

NEW YORK, July 11.

INCREASE in the discount rate of the Federal Reserve Bank at Chicago is easily the most interesting event of the week. A leading Chicago banker and director of the Chicago Reserve Bank recently stated that if speculative activity revived he would vote for an increase in the Bank rate. Actually, it appears that the higher rate was voted last week, but was not approved and announced by the Federal Reserve Board in Washington until yesterday because of lack of a *quorum*. Superficial observers inferred that the announcement was delayed in order to help the placing of the Treasury's security issue; but this inference can be dismissed, as the Treasury does not rig the money market in order that the buyers of its offerings shall have a quick loss on their purchases. As a matter of fact, the Treasury has not been particularly happy in its reading of the money market this year, and has seen its issues fall to larger and larger discounts from par. As for the higher Bank rate at Chicago, little argument is necessary to prove its justification. The greatly increased demands that are now being made on Federal Reserve resources by member banks and the revival in speculative activity that was reflected in last week's increase of approximately \$148,000,000 in brokers' borrowings in this city make the advance entirely logical. The magnitude of last week's increase in brokers' loans caused much surprise, as it cancelled over one-third of the \$400,000,000 reduction that was secured during the June break in the share market. Chicago member banks have been tempted to maintain their borrowings from their local Reserve institution in order to leave the funds employed at high rates in the New York call money market. The current advance will tend to bring this money home. The general feeling is that the advance in Chicago will be followed by other Reserve banks, and that a 5 per cent. rate will become general throughout the system. Much will depend, one may presume, on circumstances. A quick liquidation and a sweeping reduction in brokers' loans might stay action at the other banks. On the other hand, the Federal Reserve authorities should be impressed by now with the ineffectuality of a hesitant policy, while the time before crop moving and autumn business demands make their appearance is short. If liquidation is to be of value in securing a more comfortable money position this autumn, it must come quickly. And if it is not secured, the prospect is for firmer money throughout the autumn. In any event, money rates in the open market moved up to-day, so that 90-day bankers' bills were quoted on a $\frac{3}{4}$ and $\frac{1}{4}$ per cent. basis. In the past the approximation of the Bank rate by the 90-day bill rate generally has been followed by an increase in the discount rate. The general opinion is that a higher discount rate is justified here.

The share market, which had been rallying rather briskly under professional leadership, declined sharply to-day on the higher Chicago rate. Having had a premature recovery from the June break, the market was the more vulnerable. On the recent rally, professional

speculative opinion was by no means unanimous. Several of the large bull operators who had participated in the spring rise were content to stand aside, being impressed with the unfavourable nature of the money position and expecting a further reaction. Most of the bullish activity was attributed to one big operator who has experienced during past years big ups and downs in the motor industry. In any event, the technical position of the market was weakened, so that to-day's declines of from 4 to 15 points in leading shares were not surprising. It is now noticeable that there is much less talk of the market's ability to defy the Federal Reserve authorities than there was after this year's earlier advances in discount rates. As a whole, the speculative community seems in a much more reasonable mood.

Part of the background for firm money is seen to exist in the continued large volume of industrial activity. Steel production, having set a new high record for the first six months of the year, still holds up remarkably well for the season, production for the industry as a whole approximating 75 per cent. of capacity. During June the unfilled orders of the United States Steel Corporation increased by 220,000 tons, thus terminating a decline that started after February, and that had carried the orders off nearly 1,000,000 tons. The total as at June 30th, 3,637,000 tons, is about 600,000 tons larger than that for the corresponding date last year. While part of the June gain is attributed to an accumulation of orders for pipe, the figures are taken as establishing the continuance of a high rate of consumption. Prices for iron and steel, however, remain irregular, though attempts are being made to prepare for a higher level on heavy steel products during the fourth quarter of the year. Demand for steel by the automobile manufacturers continues good, and many new models now are being placed on the market or are being prepared for. Ford's production, while gaining, has done so so slowly that other manufacturers of low-priced cars have been able to do a remarkable business. The agricultural implement makers have enjoyed such good business that their summer inventory shut-downs have been less than usual. Companies making farm tractors and small "combine" threshing machines are making very large profits, and their prosperity, together with that of the mail order houses, is taken as an indication that the economic position of the farmer is much better than political propaganda would lead one to believe.

Both parties are now organising for the November election, and Governor Smith has chosen John J. Raskob, chairman of the General Motors Corporation, for his campaign manager. Mr Raskob is credited with having furnished much of the vision, energy and organising ability that has made General Motors such a great success. He has never been in politics before, but is an ardent admirer of Governor Smith, and is, like the governor, a Catholic and an enthusiastic "wet." Dr Work, the manager of the Hoover campaign, has announced that the Republicans will make their fight on the basis of the tariff and prosperity.

FRANCE.—THE WAR DEBT PROBLEM—GOLD STOCKS INCREASING—JUNE REVENUE—PRODUCTION AND TRADE.

(FROM OUR CORRESPONDENT.)

PARIS, July 18.

WITH stabilisation definitely and apparently soundly accomplished and the national finances placed on a sounder footing than they have occupied for over half a century, nothing now stands in the way of a satisfactory settlement of the British and America debt problem. There is reason, indeed, to believe that negotiations will be reopened by this country in the near future, although no confirmation of this can at present be obtained in official quarters.

Two years ago the experts who drew up the plan which M. Poincaré has successfully carried through, laid down that ratification of the London and Washington agreements must be regarded as a condition precedent and a *sine qua non* of stabilisation. M. Poincaré had the courage completely to ignore this "indispensable" part of the experts' plan (just as he consistently set his face

against the contracting, for stabilisation purposes, of "foreign loans of as long a term as possible," which the experts also advised, and which Germany, Belgium, and other countries resorted to in connection with currency restoration). Most people who can speak authoritatively now endorse as sound the Finance Minister's policy in regard to foreign debt settlement and foreign loan issues. Two years ago neither the French Parliament nor the nation at large could have been induced to approve the experts' recommendation for immediate ratification of the debt agreements; nor, with all due deference to the experts, was it necessary they should, as events have proved. During the two years that have elapsed since the stabilisation plan was brought into action M. Poincaré has shown the country's good faith, notwithstanding non-ratification, by making the whole of the payments that would have been legally due to England and America had the debt agreements been formally ratified, and this country is now in a much stronger position to face her foreign creditors for the final negotiations for settlement on the lines of the Béranger-Mellon and Churchill-Péret draft agreements.

The present French attitude was summed up in a recent statement by M. Jacques Seydoux. "Nobody will now be able to tell us, when we sit down at the table for the pending final negotiations," he said, "that the first thing for us to do is to produce our stabilisation plan and our draft Budget, and to promise to use all our available money to put our finances in order. The ground has been completely cleared, and there is now nothing in the way. The franc is now as solid as the dollar, the pound or the mark, and it is now our turn to lay down conditions." This may be interpreted as meaning that the French will renew their demand for protection, as regards transfer, to at least an equal extent to that accorded to Germany under the Dawes plan, and that a strong effort will be made to ensure that France's obligation to pay her creditors shall be made dependent on Germany continuing to pay her reparation debt to France.

The French have recently in another direction made one importance advance towards debt settlement which does not appear to have been given abroad the importance it deserves. It has frequently been argued in authoritative quarters here that, as the total amount of the German reparation debt was not definitely fixed under the Dawes plan, which leaves the ultimate total open for future revision, it would be impossible for France to come to any settlement with her Allies until her own debtor's future payments are fixed. M. Poincaré, when "heckled" on this point by M. Jacques Stern, during the stabilisation debate in the Chamber, made it clear that this argument will form no part of the French case in the pending negotiations with Washington and London. M. Stern urged that the fixation of the German debt, "which is still in suspense," was one of the problems whose solution was of vital importance at the present juncture. "The fixation of the German debt is not in suspense," M. Poincaré laconically retorted. This was understood to mean that there is now no question of any further French effort to modify the amount tentatively fixed by the Dawes Plan. M. Poincaré's remark confirms the reply given by the Reparations Commission to Mr Parker Gilbert's recent letter, in which the Agent for Payments stated the time has come "to fix the German debt."

The Bank of France is continuing still further to increase its stock of gold, and is likely to follow this policy for some time. Last week's statement showed an increase of 241,000,000 francs since stabilisation on June 25th, bringing the total stock to 29,176 millions (equivalent to 5,832½ million gold francs of 1914, at which date the French gold reserve stood normally at 4,800 millions). This total will be largely increased on the arrival of further purchases now en route from New York. The effect of this policy will not only aid in bringing about a partial redistribution of the world's stock of gold, but should also lead to an appreciable fall in world commodity prices and help to restore some of the value which gold has lost since the war began.

The complete revenue returns for June indicate that the total yield for the first half of the financial year was even more satisfactory than the provisional results recently announced in the Chamber. The total amount recovered in June was 4,214,033,600 francs, exclusive of

receipts by the Postal Department (which pass through an independent budget) and of the yield from the tobacco monopoly and other taxes now devoted to debt reduction. The total revenue for June, in round figures, was over 1,000,000,000 francs more than for May, over 500,000,000 francs more than in April, over 2,000,000,000 francs more than in March, and 1,500,000,000 francs more than in February. This increase was largely due to the fact that this year demand notes for direct taxes were distributed much earlier, with the result that 1,566,575,000 francs was recovered for income-tax alone, as against only 563,000,000 francs in June last year. The yield from Customs, Excise, turnover tax, and other indirect imposts, which form a fairly satisfactory gauge of the general situation, was 215,000,000 francs more than in June last year. The yield from the turnover tax—which is now, in spite of a vast amount of ingenious "dodging" of payment, the most prolific of the entire fiscal list—totalled 702,863,000 francs for the month (representing transactions effected during May), or over 63 millions more than a year ago and 57 millions over Budget estimates for the month. Registrations and stamp duties were 80,000,000 francs more, the tax on Bourse operations 39,400,000 francs, and Customs (due to increased duties under the new tariff) 80½ millions (or 25 per cent.) more than a year ago. Taxes on securities, on the other hand, were over 39 millions down. The yield from indirect taxation and monopolies in June was 199,444,000 francs more than Budget estimates, bringing the total excess over the estimated revenue from these sources during the six months to 1,265,337,200 francs.

Production figures for May confirm the general indications of increasing prosperity. The general index figure for production during the month is returned at 125 (on the basis of 100 in 1914), as against 123 for April and March. This figure, of course, represents tonnage, therefore there can be no question of obscurity such as must necessarily attend all comparative statistics in which the varied value of the franc is concerned. The most marked rises during the three months were in the motor-car industry (returned as 667, against 624 and 579 in April and March respectively), machinery (138, against 135 and 131), metallurgical trades (129, against 125 and 123), and the rubber industry (558, against 538 and 540). The building trade is also showing appreciably increased activity, represented by the figure of 87 for May, against 79 and 75 for the previous two months. Mining stood for the three months at practically the same level, so far as the index figure (116) is concerned, but coal, iron ore, and potash, taken individually, all showed fractional increases. The textile industry alone recorded a drop in May, when the index figure fell to 101, as against 102 in April and 105 in March. Steel and iron figures were given last week. The number of railway wagons loaded in May was 60,680, as against 60,891 in April and 65,446 in March. Railway receipts, however, rose from 266,837,000 francs in March to 275,707,000 francs in May. Outward shipping tonnage totalled 4,542,000 tons in May, as against 4,253,000 tons in March, while the inward tonnage was 4,028,000 tons, against 3,860,000 in March. The tonnage of merchandise leaving the ports dropped from 1,028,000 tons in March to 996,000 tons in May, while the total landed in May was 2,547,000 tons, against 2,526,000 tons in March. Bankruptcies, which fell from 740 in March to 536 in April, rose sharply again in May, when 781 were recorded.

GERMANY.—MONEY AND BANKING—PRICES—EMPLOYMENT—INDUSTRY—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, July 17.

THE new advance in the American Federal Reserve Bank rates came here as a surprise. The effect in Berlin was to arrest the decline in short interest rates, to raise the dollar exchange, which at last passed parity, and to accentuate the existing Bourse weakness. Financial journals mostly lay emphasis on a probable further withdrawal of funds from London, and the same result is expected here, and, judging from the advance of the Vienna rate, elsewhere on the Continent. The expectation of a reduction in the Reichsbank's rate, which seemed justified by the changes in the status during the first half of

the year, has been abandoned, and to-day the Bourse, apparently merely on general grounds, discussed the possibility of a rise. With the exception of advances, which dropped by 111 million marks to 27 million marks, the Reichsbank's return for the first week of July shows only a moderate improvement. The return must be regarded in the light of the heavy credit expansion of the last week of June. Discounts fell by 173 million marks, but remained higher than in the corresponding week of June, and circulation declined by 247 million marks, remaining at 4,426 million marks, against 4,218 million marks in the corresponding week of June. The day-loans rate rose from 5.7 per cent. on the 10th to 6½-8½ per cent. on the 16th, and weakened a little to-day, with private discount rates at 6½ per cent. since July 11th. The market has been stiffened by the demand for income-tax, subscriptions to the Prussian Loan, holiday needs, and interest payments to the Bank for Industrial (Reparations) Bonds, due on July 16th. These payments usually take weeks to complete. It is reported that the Bank has offered an advance payment to the Agent for Reparations for a discount (as last spring) of 50 million marks. The issue of a Federal Loan in the autumn is considered certain.

The Reichstag has dispersed for the summer holidays after accepting a Bill providing for the abatement of the Wages Income-tax to the extent that the present 15 per cent., or a maximum of 2 marks per month, reduction of the tax sum is to be increased to 25 per cent., or a maximum of 3 marks a month. Assessed incomes not exceeding 15,000 marks a year will be given a corresponding abatement. The Finance Ministry will further consider how far the Republic's financial condition will permit of a reduction of taxes on middle-sized incomes. At present 52.9 per cent. of the total wages-tax yield is collected on incomes not exceeding 3,000 marks and 34.4 per cent. on incomes between 3,000 marks and 8,000 marks. The benefit of the abatement is therefore enjoyed by a large class of non-manual employees.

The official wholesale prices index for July 11th was 141.5. The monthly index has now for some months shown an upward tendency, and it is remarkable that in spite of slacker trade the index number for finished industrial goods for consumption is at its highest point, 172.6. The movement during the past 18 months has been:—

	Agricultural Products.	Colonial Wares.	Raw and Semi-Manufactured Products.	Manufactured Wares.	General Index.
1927-Jan.	140.3	129.3	128.8	141.6	135.0
June	139.9	127.8	131.6	146.0	137.9
1928-Jan.	132.2	130.0	134.4	156.1	138.7
Feb.	130.1	129.7	133.6	156.8	137.9
March	131.3	133.8	133.5	157.3	138.5
April	133.5	136.3	133.8	157.6	139.5
May	135.9	139.6	135.3	158.4	141.2
June	135.0	138.7	135.0	159.1	141.3

In the second half of June the number of unemployed drawing insurance pay declined from 622,200 to 610,700; those drawing "crisis relief" from 125,518 to 113,618. The Ruhr coal output returns for the last June weeks show a considerable increase, and on the average daily output for June considerably exceeded that of May, which was reduced by the Syndicate's intentional restriction of sales to the unprofitable "competition districts" and also by the Rhine shipping strike. The average yield per ton in May is reported, as the result of the sales restriction, to have increased by 85 pf. In June the restriction of sales was partly abandoned. Daily output in the last reported week is very little behind that of the same week of 1927, being 378,908 tons against 391,684 tons. Pig-iron output in June totalled 1,021,350 metric tons, as against 1,067,583 tons in June, 1927; output in the first half-year was 6,586,380 tons, against 6,365,057 tons in the corresponding half-year of 1927. The quarterly (April-June) report of the Steel Trust shows a general decline in production, pig-iron output being 1,541,871 tons, against 1,703,105 tons in the preceding (January-March) quarter, and steel output 1,619,150 tons, against 1,842,187 tons. Coal and coke output also declined, and the number of employees fell from 182,014 to 177,090. Orders on the Trust's books on June 30th were 89.4 per cent. of those at the beginning of the business year (October 1, 1927), as against 92.3 per cent.

on March 31st. Export sales in the quarter were 123,186,486 marks, as against 114,934,629 marks in the preceding quarter, but home sales fell from 245,963,096 marks to 216,610,977 marks. The Machine Manufacturers' Association reports that business as a whole has not further declined. The demand for agricultural machinery has increased, as is usual at this season, and there is a good demand for printing and paper-making machines, but very little business is being done in textile machines and locomotives. The pig-iron market, as is usual in the summer, is quiet. The International Steel Cartel has raised Germany's monthly export quota from July 1st to 300,000 tons. The penalty for exceeding the home quota remains \$1 per ton; for exceeding the export quota by up to 7½ per cent. the fine is \$1 per ton, for the next 2½ per cent. \$2, and above that the full \$4. Business in German precision tools is reported to be better, and exports are increasing, in particular to the Far East. The aluminium branch is active. Prague newspapers report that German manufacturers of hollow glass articles (including glass for lighting purposes) have offered to form a price-cartel with Czech manufacturers. An earlier proposal from Germany was not favoured by the Czech manufacturers.

Stocks last week continued their downward movement. In general the speculative favourites, which are also the stocks of the leading companies, have suffered most in the bear movement which started at the beginning of June. Artificial silk (Vereingte Glanzstoffe) fell to 601 this week, after being around 880 in May. Prices of some leading stocks on July 17th, as compared with May 3, 1927, when about the highest prices since the currency stabilisation were reached, were (fractions rounded):—

	May 3, 1927.	July 17, 1928.
Deutsche Bank	198	162
Disconto Bank	191	158
Hamburg-America	161	162
Norddeutsche Lloyd	165	154
I. G. Farbenindustrie	353	255
General Electricity	226	167
Siemens and Halske	339	355
Salzdetfurth Potash	282	420
Aschersleben Potash	221	242
Mannesmann Tubes	246	128
Vereingte Stahlwerke	163	93
Gelsenkirchen	211	132
Phoenix	151	90
Vereingte Glanzstoffe	730	601

In only four cases was an increase recorded during the period covered by the table.

RUSSIA.—AGRICULTURE—FOREIGN TRADE—CURRENCY—FINANCES—INDUSTRY.

(FROM A CORRESPONDENT.)

THE Soviet official Press continues to assert that crops, in particular wheat, are this year somewhat better than in 1927. As the last crops-failure year was 1924, this assertion means that the Union has enjoyed four good harvests in succession. The new buying-up campaign for supply of the cities and for export will, it is admitted, be impeded by the fact that owing to the failure of winter crops in the south the centre of gravity of collection has been moved eastwards, that is, farther from the large cities and the ports.

In the crops year ending June 30th 11,155,000 tons of cereals were bought up by the State, as against 11,510,000 tons in the preceding year. The official comments on this result are unfavourable. The quantity of grain coming into the market is now less than half of that before the war. The "wares famine," one of the chief causes of peasant unwillingness to sell, is less acute than it was early in the year, and further improvement is promised in the July-September quarter. In a speech to the Moscow Soviet, M. Rykoff declared that a chief cause of the now chronic buying-up failure is the lowness of grain prices not merely as compared with industrial prices, but also as compared with prices of other agricultural products, so that the peasant prefers to sell the latter first. In fact, in the first half of the business year 1927-28, the quantity of bought-up flax, hemp, cotton, tobacco, butter, eggs and meat increased. For the unification of grain buying-up in 1928-29 there has been formed an all-Union organisation, the "Soyuzkhlieb."

State policy is ever more strongly directed towards encouraging the "middle" and "small" farmers as against the rich "kulak" farming class, and also towards extending "Soviet farms" and "collective farms." In 1926-27 only 1.7 per cent. of all crops came from the last two groups; but a R.S.F.R. report to the Council of Economy describes a new "stormy growth of collective farming." In six months of last winter, it is stated, 16,000 collective-farming unions were formed. In the Moscow district the cereal yield per unit of area of these unions is put at 12 per cent. higher than that of individually farmed land.

The foreign trade balance in the first half of 1927-28 was upset by the failure of grain export, accompanied by an increase in imports. The export of grain was only 491,000 tons, as against 2,020,000 tons in the corresponding half of 1926-27. Export of agricultural products other than grain increased by 56 million r. The former Finance Commissary Sokolnikoff states that grain exports cannot be relied upon as an important factor in the trade balance of the next few years. Attempts are being made to force the export of industrial materials, but these, with the exception of oil, are still below pre-war levels. In imports there is a great increase in the group "equipment." The official Press prints many complaints of imports of unsuitable machinery; and in general the Foreign Trade Monopoly is being subjected to severe criticism, but demonstrations held in April, on the tenth anniversary of the Nationalisation of trade made it once more clear that no change of principle will be considered. Imports over the European frontiers in the first half of the business year 1927-28 totalled 352.4 million r, as against 248.6 million r in the corresponding half of 1927-27; exports 300.3 million r against 370.4 million r; so that there was a passive balance of 52.1 millions against an active balance of 121.8 millions. Purchases from Germany greatly increased, and from Great Britain declined.

Imported from—	1926-27. Roubles.	1927-28. Roubles.
Germany	60,800,000	124,300,000
Great Britain	48,500,000	21,800,000
U.S.A.	42,800,000	56,300,000

Total currency circulation in June was 17.3 per cent. higher than a year before. Circulation, which was 1,489 million r on January 1, 1927, began the business year 1927-28 (October 1, 1927) with 1,628 millions, and rose to 1,668 millions on January 1, 1928. Circulation now normally increases in every quarter except the January-March. The official plan to reduce it by 150 millions in that quarter of 1928 was carried out, the circulation on April 1st being back at 1,518 millions, whereof 906 millions were State Bank notes. The return of the issue department of the State Bank for July 1st shows:

	Tehervontsi (of 10 r.)
Gold	15,545,334
Other precious metals	3,969,331
Foreign banknotes	7,010,142
Foreign exchange	267,124
Circulation	104,606,471

The chief change in banking has been the creation of a Bank of Long-Term Credit for Industry and Electrification. The Industrial Bank disappears, and short-term crediting of industry is largely transferred to the State Bank. Wholesale prices fell 1.5 per cent. during the twelve months ending June 1st. The index (basis 1,000 in 1913) shows: all commodities 1,715, agricultural 1,570, industrial 1,873.

The Finance Commissariat provisionally estimates the Budget total of 1928-29 at 6,800 million r, or about 12 per cent. more than the 6,038 million r of 1927-28. The increase, it is officially stated, is necessary for additional expenditure on capitalising industry, on education, and on extension of "Soviet farms" and "collective farms." In March it was decided to increase the yield of the Agricultural Tax by about 34 per cent., putting the burden on the large farmers. In May the Central Executive Committee declared for revision of direct taxation "in order to express more fully the class-basis of our tax policy." The Budget of 1927-28 will probably be realised, but the Finance Commissary points out that the proportion of loans to general revenue increases from year to year. Since October 1, 1927, the Union Debt has increased by 470.7 million r to 1,211 million r, of which

640.4 million r consists of premium loans. Of the total revenue of 6,038 million r in 1927-28, about 2,879.8 million r was to come from taxes, 776.3 million r from non-tax sources, 1,685 million r from railways (gross receipts), and 171.9 million r from posts. Revenue actually received in the first half of the financial year was 3,067 million r, but this figure was reached by booking to the first six months 422 million r of the year's estimated total loans of 525 million r. Direct taxes (without the Agricultural Tax) yielded only 35.9 per cent. of the year's estimate. The yield of the income and industrial taxes was unsatisfactory. This the official *Ekonomicheskaya Zhizn* attributes to the decline of private industry and trade.

The new capital investment in industry and electrification in 1928-29 is put by the Union Council of Economy at 1,560 million r, whereof 252 millions go on electrification. The programme of increasing industrial production in the current business year by 23 per cent. will not be realised. The chief obstacle has been the shortage of raw materials, in particular textiles and leather. In the first half of the business year average industrial production cost is stated to have been reduced 5.3 per cent. The effect of the new Seven Hours' Working Day has so far not been good. For this, insufficient preparation and shortage of skilled labour are made responsible. In June, 120,000 textile workers, or 15 per cent. of all in this branch, were working seven hours on the three shifts per day system. Their *per capita* production fell below the programme. Individual mills show better results. Coal output in the present year will total about 37,000,000 tons, which is the programme quantity, as against 30,940,000 tons in 1926-27. A new and very ambitious five years' development plan assumes that by 1932-33 coal production will reach 69,000,000 tons a year. The capital investment needed for this is put at 900 million r, whereof 200 million r for miners' dwellings. Output of pig-iron in the first half of the business year 1927-28 was 1,851,000 tons, ingot steel 2,406,200 tons, rolled and forged iron 1,908,700 tons. These figures materially exceed those of the corresponding half of 1926-27, but are still below pre-war totals. Railway traffic has increased, and the estimated gross revenue in 1927-28 will be attained, but a deficit on working of 65 million r is expected.

SWEDEN.—LABOUR TROUBLES—TRADE BALANCE—MONEY AND STOCKS—INDUSTRIAL FUSION.

(FROM OUR CORRESPONDENT.)

STOCKHOLM, July 14.

THE unusually serious labour conflicts afflicting Swedish economic life in the first part of the year were, with one exception, composed by the middle of April. The strike at the iron mines continued, and still continues. Efforts at mediation at the end of May failed, as did also those at the beginning of July. The export of iron ore is therefore still crippled, and the shipments by the Grängesberg Company during the first six months of the year reached only 1.53 million tons, compared with 4.52 million tons in the same period of 1927. It is obvious that this must seriously affect the balance of trade, as ore is an important item on the export side.

But even when due notice has been taken of this gloomy side, it is yet surprising how favourable developments have been during the recent months. This may, perhaps, best be seen from a scrutiny of the index of production figures for May, the latest published. From the lowest point, 70, the *Svensk Finanstidning's* index number of production (1923-4 = 100) had recovered in April to 105. In May it leapt up to 117. This is a remarkably rapid movement for the time of the year—May, 1927, showed 114—the more so when we remember that all work in the Grängesberg mines had ceased. Had this not been the case the index number would have risen to no less than 126, and created a post-war record. All the more important industries showed increased production at a rapid pace. Most striking was, naturally, the increase in pulp, though sawn timber showed a continued increase, despite the lively activity which prevailed already in April.

Happily, iron and steel production also reached a relatively high level, due entirely to intermediate products and wholly manufactured goods.

A study of the report of the bank inspection on the position of the banks at the end of May reveals a similar picture. It shows a clear improvement over preceding months, and reveals that great progress has been made in overcoming the effects of the labour disputes. Above all things, the balance of trade in June again became favourable. The large excess of imports due to the labour disputes in the spring months had made heavy inroads up to May in the holdings of the Riksbank, which had sunk by no less than Kr. 152 millions since the beginning of the year. This tendency continued during the first half of June, when a marked change occurred, so that the Riksbank at the end of June was able in a considerable measure to increase its holdings. The net result for June was a considerable improvement in the balance of trade.

A search through the overseas trade figures for May (the most recent as yet published) for an explanation will be barren of results. Notwithstanding the fact that the pulp, timber, and paper industries have been running to capacity, the same unfavourable tendency as has been in evidence since the beginning of the year made itself felt almost as plainly as before. True, exports recovered somewhat, but imports, after a comparative relapse in April, rose again to the level of last year. Whilst normally the Swedish trade balance swings round in May from passive to active, this year's result showed the quite considerable import surplus of Kr. 19 millions. The decline is still more startling if, instead of the May figures, those for the five first months of the year are studied. The import surplus for this period has risen from Kr. 60 millions in 1927 to Kr. 202 millions this year, or by nearly Kr. 142 millions. Though last year's results were exceptionally favourable, the figures are very notable.

It is, of course, self-evident that the labour conflicts are to a very large extent responsible for this situation. The exports of pulp and paper, for example, fell by nearly Kr. 50 millions, and under the heading "mineral raw materials" is found a decline of Kr. 35 millions, due to the cessation of ore shipments. Together with the falling off of timber exports the total drop in export values for these groups reaches Kr. 93 millions for the period January-May. To this must be added that so important an export product of last year as grain has dropped in value by over Kr. 8 millions. The total decline in value for all exports is, on the other hand, reduced to Kr. 67 millions, thanks to a material improvement in certain other groups, especially in machinery, which shows an increase of Kr. 23 millions. In spite of the labour troubles the trade balance would not, therefore, have been seriously affected had it not been for the simultaneous rise in imports by Kr. 75 millions. The principal cause of this increase is to be found in the large grain imports caused both by increased consumption and by increased production.

After having been quoted at below par throughout the spring, the dollar has this week gone beyond par, and at the moment of writing it appears not impossible that the higher New York discount rate may lead to a rise in the Stockholm rate for reasons of exchange policy. The situation in the money market does admittedly not call for such a step, but it would seem problematical whether Stockholm can retain its 4 per cent. in face of New York's 5 per cent., more especially if London decides to follow New York's example. In the long run this will not, however, prevent a satisfactory movement of the Swedish trade balance in the next few months, as the seasonal trade is now approaching its climax.

As regards the Stock Exchange, the characteristic summer dullness has not been so much in evidence in the last month. Business has no doubt slackened off in many directions, but certain groups have kept the interest pretty much alive. Bear operations in the second week of June were caused by the failure of the mediation in the ore mine conflict, and by evidence from foreign stock exchanges of rebuffs for speculators. When the summer quiet again began to set in two important items of news were received which had a strongly stimulating effect. On the same day—about midsummer—information was received that the Grängesberg Company had, through

Kreuger and Toll, acquired large interests in the Chilean ore mines, and that the long-expected fusion of the leading Swedish Separator concerns, the A.B. Separator and the A.B. Pumpseparator, had materialised. The latest step in the Grängesberg Company's expansion policy carries the company well ahead on the road on which it set out after last year's agreement with the State regarding the Lapland ore fields. For, instead of remaining what it had virtually become by that agreement, a satellite of the Swedish State, it has now become the world's largest ore producer and distributor in the international market. As to the Separator fusion, or, more properly, the purchase by A.B. Separator of A. B. Pumpseparator, the result is in effect that practically the whole of the Swedish Separator industry has come under a single control, and the position of the company on the international market, already strong, has been still further strengthened. The company has recently introduced its shares in London in connection with the issue of Kr. 11 millions fresh capital over and above the Kr. 8 millions issued in connection with the purchase of the A.B. Pumpseparator. The stimulus created on the 'Change by these happenings had the effect that the "A" list industrials rose by Kr. 23 millions. For the whole of the six months the rise was, according to *Svensk Finanstidning*, Kr. 508 millions, as against Kr. 294 millions last year. It must be borne in mind, however, that nearly 50 per cent. of this rise is accounted for by the Kreuger group, and the movement is not, therefore, characteristic of the whole trend on the Exchange.

CANADA.—WEATHER AND CROPS—BUSINESS CONDITIONS—FISHING INDUSTRY—HYDRO-ELECTRIC DEVELOPMENTS—U.S. AND CANADIAN ASBESTOS INDUSTRY—STOCK MARKETS.

(FROM OUR CORRESPONDENT.)

OTTAWA, July 3.

FORTUNE in the shape of the weather has been more than ordinarily kind to the crops in the Prairie Provinces and reasonably benevolent to the Eastern crops. The third crop survey of the *Manitoba Free Press*, published on June 30th, is as optimistic a document as its predecessor. Up till June 20th the prairies had enjoyed a spell of cool wet weather, but on that date the thermometer began to rise, and the last week of June brought real heat with copious local showers in many districts—almost ideal conditions. The result is that wheat and other crops have made rapid progress in growth, and the *Free Press* reports that the average height of the wheat is about 14 inches and that 50 per cent. of it is already at the shot-blade stage. A few districts complain of a need of rain, but a rather larger number report a superfluity of moisture, which is not a serious calamity at mid-summer. In the Northern areas there have been light frosts, but the damage from them and pests like the cutworm has been trivial. Weeds, however, are decidedly bad in some places, but a continuance of warm weather will soon enable the crops to get ahead of them. Altogether, the Western farmer has reason to be in a cheerful mood, and, if the dread plague of rust can be avoided, he has the prospect of a bumper crop. While the West was getting heat in the last week of June, the East was experiencing heavy rains; but warm weather has now arrived, and the crops, with abundant reserves of moisture available, are doing well. Hay and clover crops in Ontario threaten to be short, but the grain crops are promising, roots and vegetables are thriving well, and there are prospects of an excellent fruit crop. The crops in Quebec are later than usual, but are reported to be almost uniformly good. In the Maritime Provinces agricultural conditions are up to the average, and in British Columbia the outlook for the fruit crop is satisfactory. It is still too early to offer any definite estimates about the volume of the 1928 crops, but they are now beyond the possibility of any serious failure, and the business community is laying its plans in complete confidence that the purchasing power of the rural community will be as high next winter as last.

General business is being maintained at a satisfactory level. The car-loading figure for the week ending June 23rd, placed at 67,803 cars, shows a recession of

575 cars from the previous week's figure, but is 3,464 cars above the figure for the parallel week of 1927, and the cumulative total to date given as 1,596,294 cars shows a gain of roughly 80,000 cars. Most of the accepted indices of business show that during the first half of 1928 it enjoyed a substantially higher level of activity than in the same period of 1927. At present, however, there is the usual midsummer lull due to the holiday season. Wholesalers report that retail store-keepers are confining themselves to small orders sufficient to meet immediate needs. The general prosperity of the population enables a large proportion of the urban residents to take their families to holiday resorts on the lakes and in the woods, and as a result there is a sharp diminution of business for city retailers. But compensation is found in the extensive demand from country points for all manner of supplies. It is swollen as usual this year by the needs of the annual influx of American tourists, who are coming north in greater swarms than ever and leaving a lot of money behind. In the many lines of manufactures the output shows a temporary falling off, but there is no serious displacement of labour. The iron and steel industry is still enjoying better conditions than it has experienced for some time, and most of the plants have orders in prospect sufficient to keep them busy for some time. There is also a brisk demand for building materials of all kinds, and despite the heavy programme of spring building a good deal of new construction is planned for the latter half of the year. The newsprint industry is still one of the dark spots on the economic horizon, and the *Financial Post* of Toronto has been urging that the leaders of the industry should get together and agree in appointing a sort of dictator, who will regulate production and bring it back to a profitable basis. But the difficulty is that many important companies have already tied themselves up in contracts which will preclude them for the time being from joining in any new combination.

For one natural industry which has been experiencing hard times the recent months have brought a welcome improvement. For some years the fishermen of the Atlantic provinces have barely been making a living, but they started the present fishing season under more propitious circumstances, as the stocks of dried codfish were depleted everywhere and markets were stronger. Their spring trips have resulted in excellent catches; the quality is good, and the prices are substantially higher. There has also been an excellent lobster catch, and a very desirable class of citizens as a consequence have now a prospect of better times. 1927 was a poor year for the salmon fisheries of the Pacific Coast, but measures have been taken through the reduction of the number of canneries and the curtailment of operations to put the industry upon a more stable basis, and an improvement is looked for this year.

The hydro-electric developments which are in progress in Canada would themselves be able to generate a substantial volume of prosperity for most countries. Undertakings now in different stages of construction will mean within the next few years an addition of 2,000,000 h.p. to the total installation of the Dominion, and will require an aggregate capital investment of more than 200 million dollars. Among the more important projects now in hand are the huge new plant of the British Columbia Electric Railway Company at Bridge River, the West Kootenay Light and Power Company's scheme at South Slokan on the Kootenay River, the Manitoba Power Company's addition to its plant at Great Falls, Man., the Smoky Falls development of the Spruce River Company on the Matagami River, in Ontario, and the installations of the International Paper Company at Pagan Falls on the Gatineau River in Quebec and at Grand Falls on the St John River, of the Montreal Island Power Company on the Des Prairies River, and of the Alcoa Power Company at Chute-a-Caron on the Saguenay. All these will not be completed this year, but before it ends an additional 550,000 h.p. will be available from new installations. The Hydro-Electric Commission of Ontario is not undertaking any large new schemes at present, but has been buying power from Quebec companies to supply its needs. Its report for 1927, just published, claims a continued record of success, and

shows that a surplus of \$1,296,968 was available for distribution among the municipalities who support the hydro system, which they will in most cases apply to debt reduction.

The stock markets have shown unexpected powers of recuperation after the severe slump in early June. The newsprint stocks are still heavy, but many other issues have recovered well.

SOUTH AFRICA.—LABOUR AND THE MINES—RECRUITING PROBLEM—THE PARLIAMENTARY SESSION—DIAMOND CUTTING—OIL AND COAL RESOURCES.

(FROM OUR CORRESPONDENT.)

JOHANNESBURG, June 26.

At the quarterly meeting of the Transvaal Chamber of Mines, on June 24th, Mr A. W. Rogers (in his first speech as President of the Chamber) made the first official pronouncement of the attitude of the industry in regard to the new convention with the Province of Mozambique. Mr Rogers showed that the native labour provisions are most unfavourable to the industry. The prospective reduction of the number of East Coast labourers on gold and coal mines from 110,000 to 80,000 is in itself serious enough. Even more serious is the fact that the recruiting conditions are likely to lead to heavy reduction in much less than five years, and to make the maintenance of a force of 80,000 very difficult. Mr Rogers also traversed the allegation—so frequently heard here—that the whole labour requirements of the mines could readily be obtained in British South Africa. The last census of natives in the Union showed a total male population of 2,382,397, of whom 1,239,003 were judged to be between 15 and 50 years of age. The latter figure included 216,000 immigrants, all assumed to be within these age limits. About 900,000 were employed in various industries, the 216,000 being also included. Of a Union male native population of working age, amounting to somewhat over one million, nearly 700,000 were therefore in employment. The balance of 300,000 would be leading the ordinary tribal life. This number is not a potential source of labour, as it includes the unfit (from age or ill-health) and those who are independent of the wages to be earned from Europeans. It also includes those who are normally or frequently employed in various industries, but who were at their homes at the time of the census. As the majority of natives are intermittent workers, so far as industries are concerned, the number "resting" at their homes at any one time would amount to a figure approaching 200,000. These figures are fairly exact in relation to 1921, but a careful consideration of the facts by those best able to judge goes to show that the position to-day is, if anything, less easy for the would-be recruiters. Whilst economic pressure on the natives fluctuates with the seasons, it is steadily increasing on balance; it is unlikely, therefore, that the reservoir of labour is larger than it was seven years ago. It is also true that many employers have, from necessity or in justice, improved their conditions of late years, so that the mines are no longer able to rely on the attractions of comfort and good wages to overcome the natives' fear of or dislike for underground work. It is known that the industry has other sources of native labour under constant consideration. According to the report submitted at the meeting, the question of native efficiency and the utilisation of labour has been referred to a strong technical committee, whilst the range of amusements in the compounds has been extended, and the wages of deserving long-service natives somewhat increased.

The fifth session of the Fifth Parliament of the Union terminated on June 1st, having lasted since October 14th of last year. Joint sittings (on account of disagreements between the Senate and the Assembly) passed the Precious Stones Bill and the Iron and Steel Industry Bill, whilst an eleventh-hour spirit of reasonableness obviated the same "steam-rolling" process in the case of the Flag Bill. The other successful Bills of major importance were the Liquor Bill and the Medical and Dental Bill. The Industrial Conciliation Act Amendment Bill was not proceeded with—fortunately for investors in Union industries. In a recent interview the Minister of Finance (quite reasonably in a cheerful frame of mind) stated that the

passing of the Precious Stones Act had prevented a complete crash in diamond prices. Customs receipts during the current year continue to afford more satisfaction to the Minister than they do to the mining industry or to, say, Mr Jagger. The Minister was asked about the Iron and Steel Corporation. The main point of his reply was that the Government would do no more than ensure the coming into being of the Corporation. "The directors will have complete control, and the enterprise will be run on the strictest business lines. It is not a State enterprise." The directors have not yet been appointed.

There will be a General Election during next year, and the parties are busy with plans, forecasts, and claims or repudiation of achievements. The Labour Party finds itself in a deplorable position internally, with its nominal supporters in the mood to make things far worse on polling-day. Whatever happens, it is unlikely that the Labour Party will have seats in the next Cabinet. If the rainy season proves good—so that the country is prosperous next year—the Nationalists will go to the country with no weak case.

An agreement has been entered into between the Union Government and Messrs Rosenstrauch Bros. and Korb to provide for the establishment of diamond-cutting factories in the Union. The Government have bound themselves to see that the contractors can obtain diamonds, and have agreed to admit machinery under rebate of Customs duty. Fares for operatives will be paid. South African lads are to be trained as apprentices. Doubts have been expressed in high quarters as to whether the Government could not have made a better bargain. De Beers are understood to have arrangements of their own in hand, whilst many members of the House defended the interests of the existing cutters, who have succeeded on a moderate scale without any State assistance at all.

Dr F. Meyer, the chemical engineer to the Board of Trade and Industries, has published a report on potential oil resources of the Union. He states that the discovery of crude petroleum is a very remote possibility, whilst oil shale deposits are limited in quantity and of uneven quality. The main purpose of his report is to recommend research into the production of fuels and lubricating oils from coal. It is thought that the Union's deposits of coal are of the order of 250,000,000,000 tons, and that 25,000,000,000 tons are bituminous. Dr Meyer's report recommends the foundation of a Fuel Research Institute and the payment of bounties for the production of motor spirit and lubricating oils from South African mineral sources. He also suggests the formation, as a subsidiary to the new Steel Corporation, of a company to produce coke, coal tar, and by-products from coal.

Letters to the Editor.

THE AMERICAN PRESIDENTIAL CAMPAIGN.

TO THE EDITOR OF THE ECONOMIST.

SIR,—I am tempted to comment on your editorial, "The Nomination of Mr. Hoover," in your issue of June 23rd, which has just come into my hands, from a feeling that you—to a great extent in company with the British Press at large—tend to be under some misconception with regard to our political situation.

I am not a prophet, and I think Governor Smith's chance of election only relatively good. Out of the past seventeen Presidential elections the Democrats have gained only five, including the one it is now admitted they were cheated out of in 1876. Of these five, one was gained against a divided Republican party, and the other four were close.

More stress than is usual ought, however, to be put on the fact that the voting strength of the Democrats among the population is much greater than this record implies, and that it has, on the long trend, tended to grow. They have found it hard to bring this strength to bear in Presidential years; but a Democratic victory does not imply as great an overturn in the popular vote as the usual method of calculating on the basis of the votes of the Presidential electors implies.

Undoubtedly, however, the odds remain, as they have long been, against any Democratic candidate.

You rest your opinion of Mr. Hoover's strength partly on his record during the war and his experience in international affairs. I am myself a convinced advocate of a much wider participation by the United States in such matters; but I am

forced to say that in my judgment Mr. Hoover's international contacts mean to the mass of American voters a trifle less than nothing.

Mr. Hoover's main strength lies in the extent to which he has been before the public during the past seven years, and in a sincere and probably well-founded, but vague, belief in his competence as an economist and administrator. His services during the flood of last year cannot have hurt him; but little has been said on the subject during the recent campaign. His strength as inheritor of the "Coolidge policies" I believe to be mostly talk that will decide few votes by the time of the election.

Mr. Hoover is strong with the business and professional classes, especially those connected with manufacturing, and with the women voters of the conservative and propertied elements. I have seen it stated that there are signs of a decided leaning to Governor Smith among the younger voters, even among these classes; but this is certainly much less true of the older people.

Outside New York State Mr. Hoover's strength with the mass of farmers, factory operatives, artisans, tradesmen and clerks, who are not unchangeable adherents of the Republican party, seems to me to be nearly an unknown quantity. He has never before stood for an elective office, and much of the prestige which his record deservedly gives him with other classes must here be somewhat vague and diluted.

I doubt that adherence to the "Coolidge policies" will influence materially Mr. Hoover's chances of election. His adherence would, in the circumstances, be taken for granted. If the public mind is sluggish enough seriously to be influenced by this negative attitude, he will win anyway through the inertia of the situation. If Governor Smith should succeed in interesting the public mind in concrete issues, Mr. Hoover will certainly have to support himself with something more positive and concrete than the "Coolidge policies."

It is to be doubted, anyway, that the "prosperity" issue will play any decisive part in this campaign. The level of business activity is changing too little in either direction, there is too much vague uneasiness under the surface of a state of affairs that is fairly good, but not quiet good enough, to encourage the use of the issue by either side.

It can hardly be said that Mr. Hoover's personal attitude with regard to many of the potentially most important national issues is known; but at least it is assumed for present purposes as a result of his nomination by the party in power. Governor Smith's attitude, as the nominee of a party always less homogeneous, now for some years out of power, and recently badly divided, cannot be assumed to the same extent or with the same assurance. Pending, therefore, his clarification of his position, which he has now promised for his formal speech of acceptance, the discussion of his strength or weakness tends to centre in an excessive degree about his three supposed handicaps—his Catholicism, his affiliation with Tammany Hall, and his "wetness."

It is a fashion in many quarters here, apparently adopted by the writer of your article, to speak of these three issues as of equal reality and importance. This, I believe, to be far from correct.

Among the more educated people in this section, at any rate, real opposition to Governor Smith on the religious issue is nearly confined, in one sense or another, to the old women, who are pre-destined anyway, through no fault of Mr. Hoover's, to vote for the Republican candidate. In the South and West opposition on this score that is sincere enough as far as it goes is doubtless wider spread. In a very close election it might conceivably turn the scale, because such an election might depend on the electoral vote of one Southern border State. But it is already quite clear that few in the South, where this feeling is at least as strong as anywhere, will vote against Governor Smith on account of it. Elsewhere, most of those swayed by this sentiment will never under any conditions vote except for a Republican. On the potentially independent voter I am satisfied it has little influence. Finally, the issue cuts both ways. If there are a good many who might vote for a Democratic candidate if he were not a Catholic, there are surely, in many cities that have usually gone Republican, many Catholics who have never before had a chance to vote for one of their own faith.

Personally, I consider the issue in itself not merely unimportant but deplorable. But since it has been raised I should like to see a Catholic elected President once at any rate, merely to dispell the nonsense that has been talked about the resulting danger to the country.

With regard to the Tammany issue I think you are under a misconception in at least two respects. First, I do not believe either party will attempt to make much of an issue so adaptable to the use of its opponent and so likely to degenerate into a purposeless calling of names. If it is true that his connection with Tammany will prevent Mr. Smith from making much of the oil scandals, surely the latter, plus the record of the Republican machines in Chicago, Philadelphia and elsewhere, will disincline Mr. Hoover from saying much about Tammany. No American ought to be pleased with this situation; but at least, if low standards of

political life are offensive, the disingenuous partisan use of them is still more so.

Second, the language used in your article shows that you have followed many Americans in accepting Tammany as a catchword without sufficient knowledge or consideration of the facts underneath. Actually, Tammany has been for the past fifteen or twenty years an ordinary municipal machine, no better, but certainly not much worse than the mass, and probably improving slowly. It is not only not so bad as some others, but it has not even been as uninterruptedly successful. It has, however, been enormously advertised, and it has a name that makes a most convenient shibboleth.

Considered as a shibboleth, I give it somewhat more importance, of about the same kind, as the religious issue. The chance that it will play any deciding part in the campaign is very small.

The issue of prohibition is another matter—its reality is beyond dispute. Unless many people—some of whom are warm advocates of prohibition—are entirely mistaken in thinking that has been a slow accretion of hostile feeling on the subject for several years, it must sooner or later appear as a major political issue. It was well known that the Democratic party was divided on the subject, and the only doubt was the extent to which Governor Smith would think it advisable and proper to force the fighting. He has gone farther in that direction than I expected or am inclined to approve—my reason being that any modification of prohibition, if realisable at all in the near future, can only be by a small majority at best and at such a cost in friction and hard feeling within the Democratic party and elsewhere that it would jeopardise Governor Smith's power to forward other social and economic issues, which I look to see him advocate later on, and in connection with which, I think, lies his chief opportunity to justify his nomination.

I still think that the prohibition issue may not throughout the campaign retain the outstanding importance that it seems to assume just now. Still, it may play more part than I had supposed. Will it, then, deprive Governor Smith of more votes than it will gain for him? Here again he stands to gain something from the fact that the most patently "dry" sentiment is either in the South, where he is unlikely to lose, or in parts of the West, where he scarcely hopes to win. The outcome depends mainly on the size of the anti-prohibition minority in parts of the West, and of the East outside the larger cities, where the Democrats have already some strength to start with. Several referendum elections have already, during the past two or three years, shown pretty definitely that this minority runs large. In the latest, in North Dakota, almost the most rural and Protestant and probably the most "Nordic" of all the States, 48 per cent. of those going to the polls voted for the repeal of the State Enforcement Act. By no means all these people will vote for Governor Smith, no matter how he stresses the issue; but it is at least arguable that there will be enough of them to outweigh the limited number of convinced "drys" who would be in the slightest degree likely to vote for a Democratic candidate in any case.

I still believe that public opinion on prohibition is muddled and unripe for a change. There is a strong minority in opposition and much more suppressed irritation; but scarcely anything has yet been done to prepare a conceivably workable substitute proposal.—Very truly yours, JOHN R. ARNOLD.

50, Pine street, New York, July 3rd, 1928.

ROADS, RAILWAYS, AND THE PUBLIC.

TO THE EDITOR OF THE ECONOMIST.

SIR,—My own opinion, if it has any value, is that nearly all the propaganda has been on the side of the road interests, which advertise largely and therefore command space in the Press. For a long time past the railway companies have neglected publicity, and I am ready to admit that they have been far too conservative.

Roads are not exactly "public property," as Mr Spicer states, since, outside London, the property in roads remains with the owners of the land on either side. But I agree that they ought to be treated as public property, just like market places; therefore, I would make those who use them for their own business pay a toll for the privilege.

I agree, too, that the advantages of road transport in providing door-to-door transportation are "patent"; but again the man who enjoys these advantages should pay for them. So far as I can discover, there is no maximum weight for motor vehicles so far as the Treasury is concerned, £60 being the tax for a lorry weighing five or more tons. This is like an income tax which stopped at a lump payment of, say, £6,000 a year, and proves, as I have said elsewhere, that the science of motor taxation is still in its infancy. There are certain limits referring to axle-weights, but they have nothing to do with taxation.

I must maintain my thesis that the heaviest vehicle—most damage. Last Saturday I could have tracked a motor vehicle along the Newmarket road as fast as my bicycle would carry

me, although I never saw it; the vehicle made its way by picking up bits of the surface, leaving an irregular groove. Other vehicles, with steel tyres, leave a neat pattern of diagonal grooves. If road transport were really cheap in comparison with rail transport, we should find contractors for big operations building macadamised roads and running rubber-tired lorries along them. In fact they lay down steel rails and carry their materials in miniature trains.—Yours, &c., J. E. ALLEN.

1 Mitre court buildings, Temple, E.C.4.

ISLAS DEL GUADALQUIVIR.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The following cable message has been forwarded to me from the managing director of above:—

Urgent from Seville, received July 11th.

"My attention called your letter ECONOMIST sixth June stop sentence in Chairman's speech running there is no fresh water inside the property so far refers drinking water stop irrigation from river Guadalquivir our pumps actually operating give four hundred gallons per second capable irrigating some seven thousand acres stop personally think further water rights will be granted when needed for total area.—Kind regards, FISHER."

With reference to this message it is obvious that water is available from the River Guadalquivir, since this river runs alongside the entire property and is always navigable. But, as the river water at this point is tidal and non-drinkable, I thought it was not suitable for irrigation. This opinion was strengthened by the fact that the Chairman said in his speech that a project was afoot for mountain reservoirs to feed the Guadalquivir during the summer months with fresh water with which tidal water from the sea would not get a chance of coming in touch.

I still adhere to the view expressed in the final sentence of the letter published in your issue of July 7th, but, as it would appear, from the above cable that the river water is already being used by the company for purposes of irrigation, I should be glad if you would publish this letter.—Yours truly, YOUR CORRESPONDENT.

July 16th, 1928.

Books and Publications.

POLITICAL ECONOMY AND TARIFFISM.*

MR ROBERTSON'S reappearance in the fiscal controversy will be welcomed by all sincere free traders. No one, perhaps, in our day has combined such a gift for clear economic thinking with a zest for combat and a power to expose the self-contradictions of protectionists so formidable to the enemy.

This book is a serious and somewhat pessimistic warning to those who care for the prosperity, and, indeed, the good fame of the British people, against taking the present drift towards protection in too optimistic a spirit. Summarising the history of protection, instinctive and theoretic, Mr Robertson makes clear how essentially modern progress has depended upon the breaking-up of the comprehensive protectionism of the Middle Ages. In the days when trade was nowhere free it centred in places where there was at least relative freedom, in States like Venice or Holland, which, in spite of their far smaller natural resources, outdistanced their greater rivals.

Mr Robertson then turns to modern attempts to revert to protection in this country. His presentation of the historical and theoretical case against "safeguarding," Imperial preference, and other *aliases* of protection is unanswerable. Protection would spell ruin to this country. This, however, as Mr Robertson sees, is not an adequate guarantee that the ruinous experiment may not be tried. What is wanted is a revived spirit of battle among free traders themselves. The earlier chapters of Mr Robertson's book show too clearly the historic drift of modern civilisation towards greater freedom of exchange to render it conceivable that all nations will permanently cling to protection. The atavistic tariffs of pre-war Europe are mere shadows of the mediæval imposts dividing province from province, town from town. The real danger is that we may destroy our industry and

* "The Political Economy of Free Trade." By Right Hon. J. M. Robertson. P.S. King and Son, Limited. Demy 8vo. 190 pp. 8s 6d.

shipping by a craven surrender of our honourable leadership in economic sanity.

Mr Robertson's last chapter is thus a call to arms to free traders. Protectionism to-day is as great a menace as in the time of Joseph Chamberlain. Perhaps greater; for the threat of dear food is no longer held before the people. Tariff Reform was defeated because free traders devoted money and energy to its overthrow, and to-day there is a lamentable slackness which has led Mr Robertson, we think, to over-estimate the amount of semi-protectionist feeling among Liberals and Labour men, and to undervalue the very real dislike among many Unionists of the whole tariff propaganda. This, however, does not destroy the value of Mr Robertson's appeal, to which, we hope, free traders will respond with all the vigour that resulted in the great free trade victory of 1906.

A SHIPPING ANNUAL.*

THE annual report of the Chamber of Shipping of the United Kingdom for 1927-28, now issued in book form, along with a report of the proceedings at the annual meeting, comprises a quantity of information which it is useful to have on record. The features of the book are similar to those of previous issues, the annual report being supplemented by a number of statistical tables and diagrams. The absence of information as to the tonnage of cargoes carried (remarked upon in the *Economist* of February 25th) should be made good, even if only by an estimate as in the case of the Liverpool Steam Ship Owners' Association. Besides urging the reduction of trade barriers in general, the report has a section devoted to maritime trade barriers, namely, Government safety regulations, the Washington Conference on wireless, wireless direction finders, State shipping, flag discrimination, double taxation, passenger insurance, and bills of lading—truly a varied assortment of obstacles to trade. In general the volume does not mention developments subsequent to the annual meeting in February. Thus is out of date the reference to lighthouse administration, since the agreement in April between the Trinity House and the Shipowners' Parliamentary Committee to hold an informal conference. At the end of the book, however, the nomination of the shipowning members of this conference is just noted.

BOOKS RECEIVED.

[Brief mention of a book in this column does not necessarily mean that it will not receive fuller notice in a subsequent issue.]

Coal and its Conflicts. By John R. Raynes. (London) Messrs Ernest Benn, Limited, Bouverie House, 154 Fleet street, E.C. 4. 21s net.

Though primarily an account of British coal disputes since the eighteenth century, this book is very much more, and should be in the hands of everybody who attempts a serious study of our coal problem. The settlements of the respective conflicts are analysed in detail, and much information is brought conveniently together which has hitherto only been available in scattered form. There is a short but useful bibliography.

Reparations—Sabotage durch die Weltwirtschaft. Von Dr. Walter Mahlberg. (Leipzig) G. A. Gloeckner. 4.80 marks.

The protest of a German economist against the anomaly of a system under which it is, if anything, less cursed to give than to receive. Dr. Mahlberg analyses in detail the mechanism of Reparations payments and their disorganising effects on international trade and finance. His work, though topical, is of permanent value as throwing light on the problem of international payments.

The Cost of Living of a Sample of Middle-class Families. By D. Caradog Jones. (London) Royal Statistical Society, 9 Adelphi terrace, W.C. 2. 1s net.

An interesting study based on a sample of 235 returns. The discussion which followed the reading of the paper is published as an appendix.

The Plain Man and His Money. By A. S. Wade. (London) Nisbet and Co., Limited, 22 Berners street, W. 2s 6d net.

The Plain Man—and possibly still more the Plain Woman—who wishes to have some inkling of what the City page in the news-

* "Chamber of Shipping of the United Kingdom." Annual Report and Report of Proceedings of 51st Annual Meeting. (London) Witherby and Co.

papers is all about, should certainly begin by reading this little book. If he has money to invest he will then run less risk of throwing it into the sea; if he has none, he will be enriched by a feeling of kinship with city magnates, born of his newly acquired power to understand, perhaps even to speak, their language.

Indian Finance. By Pramathanath Banerjee. (London) Macmillan and Co., St Martin's street, W.C. 12s 6d net.

This is a detailed account of Indian finance in the days of the East India Company, with nine appendices containing the relevant statistical tables.

Banking and Currency. By W. J. Weston. (London) University Tutorial Press, Limited, High street, New Oxford street, W.C. 5s 6d net.

Though the facts and figures have been brought up to date, the plan of this text-book follows the old conventional lines, even to the retention of a chapter on bimetalism, and a certain feeling of unreality troubles the reader in consequence. The student will find, however, that an extensive amount of ground is covered in a manner useful for examination purposes.

Commerce and Trade for Junior Students. By W. Abbott. (London) John Murray, Albemarle street, W. 2s 6d net.

A small elementary text-book covering the more practical side of such subjects as are usually found under the headings of trade and finance. Joint-stock companies, banks, markets, and the financing of foreign trade are dealt with simply and in outline.

National Reform Union Year-Book. 1927-28. (Manchester) National Reform Union, 5 Cross street. 1s net.

This useful work of reference consists wholly of tables relating for the most part to public finance and foreign trade. Several branches of our national expenditure are fully analysed, as are also the receipts under some of the main heads of taxation. A number of the foreign trade returns are also reproduced.

City of Birmingham. Financial Statement, 1927-28. (Birmingham). The Council House.

A full account of the revenues and expenditures of the City of Birmingham for the year ending March 31, 1928.

The Canadian Mining Book, 1928. (London) Thomas Skinner and Co., 330 Gresham house, E.C. 2. 5s net.

A book of reference relating to Canadian mining companies, mining laws, prices of metals and of mining stocks; Canadian mineral production and trade; and fees for mining company incorporation. The figures are those of 1927.

Transvaal Chamber of Mines—Thirty-eighth Annual Report, 1927. (London) Transvaal Chamber of Mines, 202 Salisbury house, Finsbury circus, E.C. 2.

Comprises lists of officials and members, reports of the annual meeting and of ordinary meetings, and statistical tables.

Archiv für Eisenbahnwesen. Juli-August, 1928. (Berlin) Julius Springer. 10.00 rm.

Contains articles on "Hours of labour in German railway agreements"; "Competition and the Railways"; "Russian Railway Legislation"; "British Internal Navigation"; and on the year's results of Bulgarian, Swedish and French railways.

The Banker. July, 1928. (London) Eyre and Spottiswoode (Publications), Limited, 9 East Harding street, Fleet street, E.C. 4. 2s 6d net.

Contains articles on "Stabilisation and Its Consequences," by Joseph Caillaux; "American Methods of Bank Lending," by H. Parker Willis; "German Banking"; "National Health Insurance"; and "Growth of British Insurance."

International Cotton Bulletin, July, 1928. (Manchester) International Federation of Master Cotton Spinners' and Manufacturers' Associations.

Contains reports on the state of trade in the chief cotton manufacturing countries; an account of progress in new cotton-growing countries; and long sections devoted to American and Egyptian cotton respectively.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:—

Ceylon: Report of the Special Commission on the Constitution. Cmd. 3131. 3s 6d net.

Empire Marketing Board, May, 1927, to May, 1928. 1s net.

Report on the Census of Woodlands and Census of Production of Home-grown Timber, 1924. 1s 9d net.

Registry of Friendly Societies: Statistical summary showing the operations of Building Societies. 2d net.

Report of an Inquiry into Apprenticeship and Training for the Skilled Occupations in Great Britain and Northern Ireland, 1925-26—VII. General Report. 5s net.

Colonial Reports: No. 1,385. Basutoland, 1927. 9d net.

The Stock Exchange.

THE HOME RAILWAY POSITION.

"WHAT is the future of rail transport in Great Britain?" is a question which Home Railway stockholders have been anxiously reiterating during the last few weeks, while the Big Four groups have been making their case for the acquisition of road powers to the accompaniment of disappointing traffic returns and a persistent decline in the Stock Exchange quotations of railway securities. That the railways have reached a critical period of their history is generally agreed; that their position is a matter of "urgent public importance" is clear, since no class of security, with the exception of British Government stock, is more widely held than Home Rails by investors of all classes, from the great corporation to the small saver. A private investigation a few months ago showed that £1,066 millions of railway capital was shared among no fewer than 786,000 persons. During the next few days the four Group companies will be announcing their interim dividends for the first half of 1928, and though no financial accounts will appear, investors will doubtless deem the occasion particularly opportune for taking stock of their position and prospects in the light of recent events. The following paragraphs are a contribution towards the carrying out of that highly necessary task, based on such contemporary evidence as is available from official and other sources.

It is unfortunate that the weekly traffic figures are shown gross, not net, so that while one can say how many hundreds of thousands of pounds each line is down at any particular moment, the extent to which the reduction has possibly been offset by economies of management remains a secret pending the publication of highly complicated annual returns next February, except in so far as the monthly tables of the Ministry of Transport, issued two and a-half months in arrears, throw a faint and indirect light on the general situation. The returns for the four groups for the first year, such as they are, show that gross receipts during the first 27 weeks of this year were £5,049,000 (5½ per cent.) below those for the corresponding period of 1927, and £3,996,000 (4½ per cent.) below those of 1925. As regards individual companies, the London, Midland, and Scottish was down £2,255,000 (5.7 per cent.) and £1,792,000 (3.9 per cent.), as compared with 1927 and 1925 respectively; the London and North-Eastern, £1,521,000 (5.3 per cent.) and £1,519,000 (5.3 per cent.); the Great Western, £873,000 (5.5 per cent.) and £223,000 (1.4 per cent.); and the Southern, £400,000 (3.5 per cent.) and £462,000 (3.9 per cent.). Of the total deficiency of the four companies, as compared with last year, passenger traffic accounted for 15 per cent. and goods traffic for 85 per cent. As, however, the earlier weeks of 1927 were abnormal, owing to the catching up of arrears of British industrial activity after the coal stoppage, it is important to discover whether the gap between the figures for the two years has shown any signs of closing up, or the reverse, as comparison with last year has become more legitimate. We therefore give detailed figures of passenger and goods receipts in January-February, March-April, and May-June of the two years respectively, the two-monthly periods having been chosen in order to include Easter and Whitsuntide traffic in the same set of figures in each case:—

GROSS TRAFFIC RECEIPTS.
(000's Omitted.)

	8 Weeks, Jan.-Feb.	8 Weeks, Mar.-April.	8 Weeks, May-June.	Total to First Week of July (27 Weeks).
PASSENGER TRAFFIC.				
L.M.S.R. { Total receipts, 1927 ..	£ 3,578	£ 4,359	£ 4,705	£ 14,521
1928 ..	3,592	4,299	4,578	14,292
Inc. (+) or dec. (-) in 1928	+ 14 (0.4%)	- 60 (1.5%)	- 127 (2.6%)	- 229 (1.6%)
L.N.E.R. { Total receipts, 1927 ..	2,490	2,910	3,100	9,742
1928 ..	2,422	2,779	2,973	9,742
Inc. (+) or dec. (-) in 1928	- 68 (2.7%)	- 131 (6.5%)	- 127 (4.2%)	- 366 (3.7%)
G.W.R. { Total receipts, 1927 ..	1,579	1,902	2,021	6,307
1928 ..	1,570	1,860	2,030	6,187
Inc. (+) or dec. (-) in 1928	- 9 (0.6%)	- 42 (2.3%)	- 21 (1.0%)	- 120 (1.8%)
S.R. { Total receipts, 1927 ..	2,059	2,478	2,722	8,233
1928 ..	2,067	2,444	2,694	8,242
Inc. (+) or dec. (-) in 1928	+ 8 (0.4%)	- 34 (1.8%)	- 28 (1.0%)	- 51 (0.6%)
GOODS TRAFFIC.				
L.M.S.R. { Total receipts, 1927 ..	7,433	7,319	7,100	24,595
1928 ..	6,912	6,830	6,377	22,569
Inc. (+) or dec. (-) in 1928	- 521 (7.0%)	- 489 (6.8%)	- 723 (10.3%)	- 2,026 (8.2%)
L.N.E.R. { Total receipts, 1927 ..	5,773	5,747	5,501	19,124
1928 ..	5,492	5,376	5,125	17,963
Inc. (+) or dec. (-) in 1928	- 281 (4.8%)	- 371 (6.4%)	- 376 (6.7%)	- 1,155 (6.0%)
G.W.R. { Total receipts, 1927 ..	2,881	2,913	2,848	9,745
1928 ..	2,743	2,552	2,565	8,392
Inc. (+) or dec. (-) in 1928	- 138 (4.8%)	- 361 (12.4%)	- 283 (9.8%)	- 753 (7.7%)
S.R. { Total receipts, 1927 ..	974	916	929	3,236
1928 ..	865	866	828	2,887
Inc. (+) or dec. (-) in 1928	- 109 (11.2%)	- 50 (5.4%)	- 101 (10.7%)	- 349 (10.8%)

The falling-off in traffic this year is very much heavier on the goods than the passenger side. As regards the latter, the Southern is the least, and the North-Eastern the greatest sufferer, while among the three "groups" which carry a considerable quantity of goods, the Midland and Scottish shows the greatest falling-off in goods receipts, and the North-Eastern the least, despite the prevailing depression in the "heavy" industries, on which the company depends for so much of its traffic. In every case passenger traffic made a worse showing this year (as compared with last) during the second than during the first of the two-monthly periods shown in the table, but in the third period there was a noticeable improvement in all the groups except the Midland and Scottish. On the goods side, however, the returns are much more discouraging, since the gap between 1928 and 1927 seems to be tending to widen, instead of contracting, as the element of inflation in the 1927 figures steadily disappears. Reference to the Ministry of Transport returns, now available for the first four months of this year, shows that the number of passengers carried on all the British lines excluding the Underground (exclusive of season ticket holders) was 1 per cent. greater this year than last, but that an increase of 15½ per cent. in receipts from reduced fares, and of 5 per cent. in workmen's tickets, failed to compensate for a drop of 7 per cent. in ordinary fare receipts, while season tickets fell off by 1½ per cent. On the goods side there was a drop in the total "ton-mileage" of a little over 8 per cent. The average train-load declined by nearly 4½ per cent.

How far have these events affected the stockholder's position? For the most part one is in the dark, and will remain so until such times as the railways choose to furnish an informative statement of the net results of each week's working, instead of the partial, and in some respects misleading, indication afforded by a recital of gross receipts. A hundred and one contingencies may affect the position between now and next December, but in order to put the matter into rough perspective we may ask ourselves what are likely to be the net earnings available for interest and dividends at the end of this year, supposing (a) that gross receipts in the next six months are proportional to those of the last, and (b) that the railways are in a position to make economies in expenditure this year on the same scale as, say, between 1925 and 1927 (the figures for 1926, the coal stoppage year, being omitted from the comparison). The various steps in this hypothetical calculation are shown below:—

(000's omitted.)

	L.M.S.R.	L.N.E.R.	G.W.R.	S.R.
Proportion of year's gross receipts obtained in first 27 weeks (Average for 1925 and 1927)	47.5% 52.3%	47.7% 52.0%	47.2% 53.2%	47.8% 51.5%
Actual receipts, 27 weeks of 1928	14,292 22,569	9,376 17,969	6,187 8,992	8,242 2,887
Suggested gross receipts for whole of 1928, presuming similar experience to 1925-27	30,090 43,120 73,210	19,650 34,550 54,200	13,120 16,890 30,010	17,230 5,610 22,840
Total "railway" expenditure in 1927	62,790	48,660	25,400	19,290
Reduction in 1927 as compared with 1925	31%	27%	19%	20%
Suggested expenditure in 1928, presuming equivalent reduction this year	60,850	47,340	24,920	18,880
Net "railway" income, 1928	12,560	6,860	5,090	3,960
Add net income from other sources*	3,330	1,710	1,990	2,030
Total hypothetical net income for 1928	15,490	8,570	7,080	5,990
Decrease as compared with 1927	3,350	3,610	1,360	410

* Stated at same figures as in 1927.

If events actually follow the broad course assumed, for argument's sake, in the above table, the heaviest deficiency in net income in 1928, as compared with 1927, will occur in the case of the Midland and Scottish and of the North-Eastern, and the lightest in that of the Southern. Holders of the various stocks may form an idea of their position by comparing the last line of the preceding table with the last two columns of the tables which follow, in which are set out (a) the amounts required for interest or dividend on each stock, and (b) the amount of the year's earnings left over after such payment, both sets of figures being in respect of the year 1927. The recent course of Stock Exchange quotations is also shown, with the yield obtainable at present prices, on the basis of last year's dividends:—

HOME RAILWAY DEBENTURE STOCKS.

Amount Issued.		Prices, 1928.		End of 1927.	July 18, 1928.	Yield at Latest Price.	Total Paid in Interest Last Year.	Earnings Remaining After Payment of Interest.*
		Highest	Lowest					
£	L.M.S.R., 4%	80½	79	80	79½	5 0 9	4,071,643	13,988,429
101,791,069	Do 5% Red, 1952 ..	101½	101	101	101½	5 0 0	183,932	13,314,497
5,750,000	Do 5% Red, 1952 ..	101½	101	101	101½	5 0 0	183,932	13,314,497
67,522,993	L.N.E.R., 3%	62½	56½	59½	57	5 5 5	2,025,690	10,108,381
48,920,324	Do 4%	83½	79	78½	76	5 5 5	1,636,213	8,471,568
5,000,000	Do 5% Red, 1947 ..	102½	98½	100	98½	5 5 5	177,740	8,253,828
1,727,037	G.W.R., 2½%	53	52	51	51½	4 18 0	43,176	8,019,525
25,279,314	Do 4%	87	84	83	82½	4 17 0	6,101,173	7,008,352
1,009,494	Do 4½%	89	88	87	86½	4 18 9	42,903	6,965,449
4,629,317	Do 4½%	92½	94	92	92½	4 17 9	208,319	6,757,130
4,445,185	Do 5%	106	104	104	104½	4 18 6	242,231	6,514,899
39,432,044	S.R., 4%	85½	79	80½	79	4 18 0	1,577,282	4,667,138
3,019,621	Do 5%	104	99½	100	100	5 0 0	150,981	4,516,127

HOME RAILWAY PREFERENCE AND GUARANTEED STOCKS.

Amount Issued.		Prices, 1928.		End of 1927.	July 18, 1928.	Yield at Latest Price.	Total Paid in Dividend Last Year.	Earnings Remaining After Payment of Dividend.*
		Highest	Lowest					
£	L.M.S.R., 4% Guar....	83½	77	80½	78	5 5 4	0,127,717	11,427,400
118,908,762	Do 4% Pref.	78½	69½	75	71	5 14	34,756,350	6,671,050
9,695,832	Do 5% Rd. (1955) Pf.	101	96½	96½	95½	5 5 6	0,484,872	5,186,225
40,133,987	Do 4% Pref. 1923 ..	77	66½	73½	68	5 19	61,605,359	4,580,864
33,066,831	L.N.E.R., 4% 1st Guar.	77	69½	76	71½	5 15	3,120,257	6,053,682
27,936,989	Do 4% 2nd Guar....	74	67½	73	69½	5 18	61,107,880	4,946,802
48,222,669	Do 4% 1st Pf.	70½	57½	63	61½	6 12	3,128,907	3,016,985
4,014,400	Do 5% Rd. (1955) Pf.	88	82½	88	82½	6 7 0	200,720	2,816,175
66,142,180	Do 4% 2nd Pref.	64½	42½	49½	44½	9 4	0,245,687	170,488
7,708,241	G.W.R., 5% Rt. Charge	103	101½	102	99½	5 0 6	385,412	5,890,709
23,816,537	Do 5% Cons. Guar....	102	99½	101	99½	5 1	61,190,827	4,636,230
29,427,984	Do 5% Cons. Pf.	101½	95½	99	95½	5 5	21,471,399	3,266,831
6,000,000	Do 5% Red. Pf. 1950	101½	99	99	99	5 3	300,000	2,926,831
5,328,162	S.R., 5% Guar. Pref.	101½	99	99	99½	5 3 0	266,408	4,199,187
4,000,000	Do 5% Guar. Pref. Red. 1957	101½	98½	98½	101	5 1 6	100,000	4,099,187
40,697,393	Do 5% Pref.	93	89½	92	90½	5 11	9,204,870	2,064,317
2,000,000	Do 5% Pf. Red. 1954	100	97	97	98½	5 3 0	100,000	1,964,317

HOME RAILWAY PREFERRED ORDINARY AND ORDINARY STOCKS.

Amount Issued.		Prices, 1928.		End of 1927.	July 18, 1928.	Yield at Latest Price.	Total Paid in Dividend Last Year.	Earnings Remaining After Payment of Dividend.*
		Highest	Lowest					
£	L.M.S.R., Ord.	76½	58½	76	60	7 18 3	4,522,116 (4½%)	58,748
42,360,925	L.N.E.R., 5% Pref.Ord.	44½	23½	43½	25	1 10	158,853 (8%)	11,635
35,923,810	Do Def. Ord.	17½	11½	17½	12½	nil	..	..
42,461,897	G.W.R., Con. Ord....	103½	84½	97½	87	8 1 0	2,972,333 (7%)	45,502
27,586,601	S.R., Pref. Ord.	79½	69	74	71	7 0 9	1,379,330 (5%)	584,987
31,490,242	Do Def. Ord.	40	31	37½	31½	6 7 0	629,805 (2%)	44,818

* In 1927.

Broadly speaking, if the results of the next six months were no better than we have imagined, the Midland and Scottish would be in a position to pay all its debenture interest with (in round figures) £10 millions to spare, and all its preference dividends with £1½ millions to spare, the latter being sufficient to cover a payment of about 1½ per cent. on the ordinary stock. The North-Eastern would clear its debenture interest with £4½ millions to spare, and might pay its first preference dividend by a draft of half a million on reserves. The Great Western would clear its debenture interest with £6 millions, and its preference dividends with £1½ millions left over, the latter being sufficient for a dividend of 3½ per cent. on the consolidated ordinary. The Southern would have £4 millions over after meeting debenture interest, £1½ millions after paying preference dividends, and about £175,000 after a full payment of 5 per cent. on the preferred ordinary.

Much may happen, of course, before the end of the year. The above figures are put forward, not as forecasts of what are likely to be the year's figures, but rather as an exceedingly broad indication of the dimensions of the problem with which the railway managements are faced to-day. The final results will naturally make a better showing in proportion as gross earnings are increased, and/or expenses reduced in the future. At the moment, the goods side of their accounts must be the chief source of anxiety to the railway managements. Stockholders will await with interest the publication of their plans for using their new road powers, while recognising that these cannot be expected to produce an immediate transformation of the present outlook.

THE WEEK IN THE MARKETS.

SETTLING DAYS.

TICKET.
July 24.ACCOUNT.
July 26.

MARKET enjoyed immunity from the unpleasant surprises which marred the record of recent weeks, but the tone of business was markedly subdued. A certain amount of liquidation, both home and foreign, was still in progress, but its effects were not extreme. From the point of view of the speculative operator there is little to "go for" at the moment, and the experience of the last few days points to a general desire to round off commitments before the holiday season is well begun. Present conditions suggest that next month will approximate more closely to the normal "Stock Exchange August" than any similar period for the last four years.

Gilt-edged stocks were firmer on a slightly more optimistic interpretation of the monetary outlook and a recovery in the New York exchange. A fairly keen demand was experienced in the money market, callings-in of money being on an appreciable scale in the early part of the week, while calls on recent new issues were of substantial amount. No large business was passing in British Government stocks, but quotations showed an improving tendency. A rise occurred both in the 5 per cent. "B" Treasury Bonds and the 4 per cent. Consolidated Loan, into which holders of the former stock are offered conversion this month. Three-and-a-half per cent. Conversion and Four per cent. Conversion also hardened, and Victory Bonds were better. Colonial issues attracted little attention, the poor result of the Commonwealth £7,000,000 issue tending to depress Australian stocks, with the exception of South Australian. Dealings in the new issue opened at ½ discount.

Business in the foreign market was considerably restricted. Mexican bonds showed some weakness, but otherwise the assassination of the President-elect of that country produced a limited effect. Brazilian bonds were irregular. Only a small business was done in Far Eastern issues, though one or two Chinese descriptions gained ground slightly. European "Reconstruction" loans were idle, but a limited demand for Russian bonds was induced by unofficial reports of negotiations for the offer of a small compensation to holders by the Soviet authorities.

Home rails showed, on the whole, a better tendency, though dullness became more noticeable in the middle of the week, when the latest traffic figures showed that re-

ceipts were still running below last year's levels. Investment inquiry was, however, in evidence for a number of the preference stocks, and ordinary quotations, though displaying considerable irregularity, wore a more encouraging aspect than for some weeks past. A dull tone pervaded the foreign railway market. Argentine stocks were affected by the more threatening appearance of the labour situation and the absence of any definite trend in the traffic position.

With a steady slackening of speculative interest in evidence, dullness pervaded the industrial markets. The volume of business was much below the level of a few weeks ago, and tended to tail off day by day. Artificial silk shares opened the week in hesitant fashion, Court-auds being heavy, while British Celanese was realised before the meeting. The latter rallied on the easy passage secured by the capital reorganisation schemes for both classes of shares, but weakness subsequently developed in Snia Viscosa, which was sold on the Continent. Marconis improved on the profit announcement but afterwards came on offer. Cable descriptions were again easy. A fall in United River Plate Telephones was induced by the Argentine Government's fiat cancelling the increased tariff approved by its predecessor. Gramophones were firmer after a dull opening, the public response to the issue by the Duophone foreign subsidiary exceeding general expectation. International Holdings showed some response to efforts to renew confidence. Shipping shares were quiet, Furness, Withy being steady on the year's report. Imperial Tobaccos were supported, but textile and motor shares were dull. The Pearson and Knowles and Partington reconstructions served merely to emphasise the depressed conditions prevailing in the iron and steel group. Breweries were neglected. Insurance shares were firm, but little business was done in banking descriptions.

Business in the rubber share market tended to broaden, the commodity showing a further improvement in price. Buying was mainly of the better-class shares, which hardened appreciably in quotation. The same tendency obtained in the tea share market, where a fair volume of business was done in the early part of the week. The tone of the oil market was easier. Trouble arose on the question whether Canadian Eagle split shares would be good delivery in Paris, and Mexican Eagles were sold in that centre. Shells were firm, but Anglo-Persians and Burmahs were marked down. South African mining shares were depressed by French sales, Johannesburg at first giving some support, but later falling into the prevailing bearish mood. Tin shares made a satisfactory showing, quotations responding to the increased price of the metal. Rio Tinto receded under Parisian influences. Lake View and Star further declined on sales by tired bulls.

INVESTMENT NOTES.

Furness, Withy's Earnings.—In view of the continued depression in the shipping industry, the accounts of Furness, Withy and Company for the 12 months ended April 30th last must be considered highly satisfactory, total profits being higher than in any year since 1921-22. The directors are apparently confident of the company's ability to maintain its earnings at their present level, since ordinary dividends are raised from 7½ per cent., tax free, to which they were reduced five years ago, to the equivalent of 8 per cent., tax free:—

YEAR ENDED APRIL 30.			
	1926.	1927.	1928.
Total profits (after providing for taxation)	523,044	603,511	627,750
Depreciation	200,000	200,000	200,000
Net profits	323,044	403,511	427,750
Preference dividends	60,000	60,000	60,000
Ordinary shares:			
Earned per share	6.6%	8.6%	9.2%
Paid Rate "tax payable"	9.4%	9.4%	10.0%
per Equivalent rate after deduct-			
share, (ing tax)	7.5%	7.5%	8.0%
Amount of dividend	300,000	300,000	320,000
Increase or decrease in amount carried forward	36,956 +	43,511 +	47,750

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
Conv. Loan 3½%	78½	77½	— 1
Do 4½% 1944	98½	98½	—
War Loan 5% 1929-47 ..	101½	101½	—
Do 4% (tax free)	101½	101½	—
Consols 2½%	101½	101½	—
Do 4%	101½	101½	—
Funding 4%	90½	90½	—
Victory Bonds 4%	94½	94½	—
War Bonds 5% 1929 ..	105	105	—
Local Loans 3%	65	65	—
Treasury 5% (B)	101½	101½	—
Palestine 5% 1942-67 ..	104½	104½	—
S. Africa 5% 1945-75 ..	102½	102½	—
Canada 3½% 1930-50 ..	82	82	—
India 3½%	71½	71½	—
Commonwealth 5% ..	93	93	—
N.S. Wales 5% 1922-32 ..	100	100	—
N. Zealand 5% 1946 ..	103	103	—
Victoria 5½ 1930-40 ..	101	101	—
Nigeria 6% 1949-79 ..	113	113	—

Foreign Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
Japanese 6% (1924) ..	99½	100	— 1
Tokyo City 5½%	91½	91½	—
Argentine 4% Reciss. ..	86½	86	— 1
Austrian 6% 1923-43 ..	101½	101	— 1
Belgian 7%	108½	109	— 1
Brazil 9% Funding	90½	90	— 1
Bulgaria 7%	88½	89	— 1
China 5% (1912)	44	45	— 1
Egypt 7½% 1927	96½	96	— 1
Estonia 7% 1927	96½	96	— 1
Finland 6% 1923	98½	98½	—
French 5%	181	181	—
Do 4% (1911)	151	151	—
German 7%	105½	106½	— 1
Greek 7% Refugee	100	100	—
Hungary 7½%	104½	104½	—
Chili 6%	99	99	—
Italian 5% (Marm.Ry) ..	70	70	—
P.L.M. 6%	101½	102	— 1
Poland 7%	92	92	—
Mexican 5% (1899)	43	48	— 5
S. Paulo Coffee 7½% ..	104½	104	— 1

British and Foreign Railways.

	Price Last Week.	Latest Price.	Rise or Fall.
G. Western Ord. Stk.	84½	86	— 1
L.N.E.R. Def. Stk.	11½	12	— 1
Do 5% Pref. Stk.	23½	24	— 1
L.M.S. Ord. Stk.	58½	59	— 1
Metropol. Con. Stk.	67½	68	— 1
Met. District Ord. Stk. ..	75	75½	— 1
Southern, Def. Stk.	30½	31½	— 1
Do Pref. Ord. Stk.	68½	70½	— 2
Underground Ord. Stk. ..	1½	1½	—
Do Income Bonds	125	125	—
Antofagasta Ord. Stk.	88½	87½	— 1
B.A. & Pacific Ord. Stk.	88½	88	— 1
B.A. & Sth. Ord. Stk.	101½	101	— 1
B.A. Western Ord. Stk.	87½	88	— 1
Can. Pacific Con. Stk.	209	209	—
C. Argentine Ord. Stk.	92	91½	— 1
Entre Rios Ord. Stk.	81½	81	— 1
Leopoldina Ord. Stk.	62	61	— 1
Mexican Ry. Ord. Stk.	8	7	— 1
Utd. Havana Ord. Stk.	52	50	— 2

Banks.

	Price Last Week.	Latest Price.	Rise or Fall.
Bank of England Stk.	264½	264	— 1
Barclay B. (£1)	218½	218	— 1
Barclays (Dom. Col. &c.) A £1	1½	1½	—
Lloyds £5, with £1 pd. 3½% ..	3½	3½	—
Martins £1	3½	3½	—
Mid. £12, with £2½ pd. 8½% ..	8½	8½	—
Do £2½, fully paid, 9½%	9½	9½	—
Midland £1, fully paid 3½% ..	38½	38½	—
Nat. Prov. £20, with £4 paid	14½	14½	—
Hoong. and S. (£125) 138½ ..	139½	139½	— 1
Standard of S. Africa £20, with £5 paid 15½ ..	16	16	— 1
Westminster £20, with £5 paid	19½	19½	— 1

The directors' report is, as usual, a laconic document, containing no mention of the company's trading experience during the year, or the nature of its holdings in other concerns. The balance-sheet includes investments in associated companies in a general item along with shipping property and payments on account of new tonnage, the total, £4,916,158 (about £40,000 below last year), being apparently a conservative valuation. The proportion of the company's earnings drawn from investments outside the shipping industry would seem to be appreciable. Holdings of British Government securities and industrial and general investments are shown in the balance-sheet (less depreciation) at £3,361,265, and even if the dividends obtained averaged no more than 5 per cent., the total income from this source would be about £168,000, or nearly 40 per cent. of last year's net profits, after providing for depreciation. The balance-sheet is strong in other respects, general reserve standing at £2,000,000. Creditors are down from £3,162,811 to £2,717,313, and debtors from £1,057,306, net working capital being £2,556,401, against £2,436,185 a year ago. The £1 ordinary share quotations in recent calendar years have fluctuated as shown:—

	1925.	1926.	1927.	1928. (To date.)
Highest	1½	1½	1½	2½
Lowest	1¼	1¼	1¼	1½

At the present level of £1 29-32, including 1s dividend, the shares give a yield of £5 8s 6d per cent., less tax, and appeal to investors to whom stability of earning power is a prime consideration.

Anglo-Dutch Plantations.—The Anglo-Dutch Plantations' report for 1927 shows that while net revenue was slightly higher than in 1926, the ratio of earnings to capital fell slightly. In view of the uncertain outlook in the rubber trade, the Board are very wisely limiting the rate of dividend to 12½ per cent. (tax payable); as compared with 20 per cent. a year ago, and placing £100,000 to the reserve for contingencies. Results for the last three years are shown:—

YEAR ENDED DECEMBER 31.

	1925.	1926.	1927.
Balance of revenue account	£ 534,309	£ 404,358	£ 424,623
Dividends { Earned per share	27.6%	18.5%	18.1%
{ Paid (Rate "tax payable")	22.5%	20.0%	12.5%
{ per share. { Equivalent rate after deducting British income-tax	18.0%	16.0%	10.0%
{ Amount of dividend	435,725	387,597	288,588
Directors' extra remuneration	26,715	18,382	8,250
Undis-tributed profits. { Reserve for contingencies	50,000	..	100,000
{ " " pension fund	20,000	..	20,000
{ Inc. or dec. in carry forward	1,868	1,621	7,785

The report is a model of its kind, affording shareholders a mass of valuable detailed information on the company's position and operations. The weather conditions in 1927 were unusually favourable for tea cultivation, the crop exceeding the year's estimate by over 1,750,000 lbs. The coffee crop, however, was adversely affected by the aftermath of the 1926 drought, though not so seriously as was anticipated. The rubber crop continued to be restricted, the tapping system being altered in September in conformity with the new rules issued in Malaya. Comparative figures for these crops, during the last three years, are given:—

	1925.	1926.	1927.
Tea—			
Crop	8,760,251 lbs.	10,668,015	13,122,891
Cost price	8-45d	8-73d	8-07d
Net selling price	1/0-18d	1/0-33d	1/0-53d
Coffee—			
Crop	28,991 cwt.	4,364	17,174
Cost price	57/6	139/6	58/7
Net selling price	73/2	75/2	59/11
Rubber—			
Crop	5,997,659 lbs.	8,222,728	9,112,151
Cost price	84d	10d	83d
Net selling price	2/2d	1/9d	1/4d

High and low points for the £1 shares during the last few years are shown below:—

	1925.	1926.	1927.	1928. (To date.)
Highest	3½	3½	2½	2½
Lowest	2½	2½	2½	1½

The shares stand at £1½, giving a yield of £7 14s. Income for 1928 can scarcely be expected to reach the 1927 level in view of the present rubber situation, but the ultimate strength of the company's position is, of course, the wide extent to which its interests are spread over different cultivations, only 30,278 out of a total of 81,414 planted acres being under rubber.

Marconi's Wireless Telegraph—1927 Profits.—The presentation of the latest accounts of the Eastern Telegraph Company, showing a further drop in profits (after payment of debenture interest), from £920,909 in 1926 to £739,139 in 1927, was followed almost immediately by a statement from the directors of Marconi's Wireless Telegraph Company, which revealed a two-fold increase in last year's earnings, compared with those of 1926. The synchronisation of the two events may be merely one of those dramatic coincidences so familiar in the world of finance, or, on the other hand, the directors may have been not entirely unaware of its significance as a method of underlining the terms of the cable-wireless agreement recently arrived at, at a moment when the Report of the Imperial Wireless and Cable Conference is under consideration by the Governments of the Empire. However that may be, Marconi's profits for 1927 are shown to amount, after the payment of debenture interest, to £430,471, against £198,947 in 1926. The directors do not desire to hold the annual meeting until the terms of the Conference's Report have been made public, but in the meantime they are making an interim distribution of 10 per cent. (actual) on the ordinary shares in respect of last year, the question of a final dividend and an interim for the first half-year of 1928 being left over for decision at the meeting, which will probably be held in the autumn. The ordinary shares received a payment of 5 per cent. as a result of the operations of 1926. Marconi's are now firmly established as one of the leading speculative counters on the Stock Exchange, and have fluctuated considerably from week to week since the noteworthy rise which followed the preliminary announcement of the projected cable merger (which, if finally approved, will, it is hoped, have effect as from April 1st last). Highest and lowest Stock Exchange prices for the ordinary shares have been:—

	1925.	1926.	1927.	1928 (to Date)
Highest	1½	1½	1½	3½
Lowest	1¼	1¼	1¼	1½

The present price of the 10s shares is £31½, giving a yield, on a 10 per cent. distribution, of £1 11s 6d. If, as is generally believed, the total payment for the year proves to be 15 per cent., the yield will be £2 2s 3d.

International Holdings.—In issuing a statement as to the company's present position, the Board of International Holdings have done the right and proper thing. It was perhaps inevitable that hitherto the market in these shares should have been swayed more by personal sentiment than by the intrinsic value of the shares. The personal factor has now disappeared and the company is dependent solely upon its own merits. These are set out in the directors' statement, which, after describing the recent earnings and present properties of the undertaking, concludes by giving the break-up value of the net assets at \$12 per share. This compares with the current price of about \$14½, and as a well-known issuing house regards the shares, even at this higher price, as a promising lock-up, it is clear that those conversant with the position attach some value to the equity and earning power of the company. On this point there is ample scope for reflection. The company has frankly engaged in pioneer industries—mainly artificial silk and hydro-electricity. Now artificial silk is a new industry which has yet to establish a balance between productive and consumptive capacity. There are those who believe that when all the new producers are working at their full strength, their joint output will exceed by several times the world's needs. This may or may not be true, and in any case world demand is not something which is fixed

for all time and never changes. Still, there is this element of doubt, and those who buy International Holdings as a lock-up must be strong enough to take the rough with the smooth.

British Celanese Scheme Passed.—The acceptance of the capital reorganisation scheme of British Celanese, Limited (the details of which were criticised in our last issue), was virtually a foregone conclusion, since it transpired at the meetings held on Monday last that Dr Henry Dreyfus, the chairman and managing director, and his brother held one-half both of the preference and the ordinary capital. That the remaining shareholders had limited the expression of any dissatisfaction they might have felt to verbal criticism was, however, revealed when the preference scheme was passed with only two dissentients, and the ordinary proposals with complete unanimity. The absence from the chairman's speech of any figures of current output and earnings was regrettable in view of the uncertainty which still surrounds the company's position in these essential respects. The argument that such information is of benefit to a company's competitors has been advanced by many other concerns in the past, and would seem to weigh more heavily with the chairman to-day than was the case when the company made its second mortgage bond issue last year. No forecast of future profits was given on the present occasion, but it was stated that the company, freed from the incubus of preference dividend arrears of £1,487,500, should in future be in a position to make payments both on its preference and ordinary capital.

Two More Iron and Steel Reconstructions.—Hard upon the capital reorganisation scheme of Baldwins, Limited (which has now been passed in a form somewhat more favourable to holders of the 7½ per cent. debenture stock than were the original terms), comes the announcement of two further reconstructions in the heavy trades, affecting share and debenture holders in the Pearson and Knowles Coal and Iron Company, and its subsidiary, the Partington Steel and Iron Company. Both concerns are controlled by Sir W. G. Armstrong Whitworth, and their reorganisation is to be regarded as a stage in the necessary "cleaning-up" operations which will have, as their ultimate outcome, the reorganisation of the capital structure of that concern. As neither of the two companies immediately concerned had been able to earn a trading profit for some time past, and both had previously been compelled to obtain a moratorium as regards their debenture and bond interest, the present surgical operation is inevitably of a painful character. In the case of Pearson and Knowles, £1,344,742 of capital will be written off. £250,000 prior lien debentures and £500,000 income notes will be created. The £1,270,000 7½ per cent. debentures will be converted into income stock, and the 6 per cent. second preference shares reduced to 10s and converted into 6½ per cent. "B" non-cumulative preference shares. The 6½ per cent. second preference shares will be reduced to 6s 8d and converted into 6 per cent. "C" preference. All preference dividend arrears will be cancelled, and the ordinary shares reduced by 19s to 1s each. The Partington scheme provides for a capital reduction of £1,483,333. £1,000,000 first mortgage debentures and £1,000,000 income debentures will be created. The existing £1,300,000 6 per cent. debentures are to be exchanged for income stock and preference shares. The £300,000 five-year notes will be exchanged for new second preference shares, and the 350,000 preference shares reduced from £1 to 6s 8d. The 250,000 6½ per cent. preference shares and 1,000,000 ordinary shares will be cancelled, while £900,000 new share capital will be created. Each scheme is conditional upon the other being accepted, and if either is rejected both will fail. The Partington company has been a heavy drain on Pearson and Knowles, and is dependent on its bankers for its continued existence. In the main the bankers are the debenture-holders. As the alternative to the present schemes is receivership, under which little or nothing would be available for preference or ordinary shareholders, they are likely to go through, though sympathy will not be withheld from the preference-holders, and still more the note-

holders, who find themselves in the position practically of unsecured creditors in concerns of doubtful solvency. The ordinary shareholders are, of course, asked to give away nothing they have not already lost. The official announcement holds out no promises as to future earnings, which are obviously dependent on a greater measure of prosperity in the heavy iron and steel trades than can safely be prophesied at the present moment.

A Meat Trade Agreement.—Recent rumours of possible mergers in the Argentine meat trade are now confirmed to the extent of a five-year agreement between Armours and the River Plate British and Continental Meat Co. Armours will now take over, for the period of the agreement, the operation and commercial management of the younger company, and will guarantee the £150,000 annually required for the interest and sinking fund on the 7 per cent. first debentures and the 8 per cent. preferred charge stock. In return, they are to receive half the profits earned over and above the guarantee. Formed in 1925, the River Plate British and Continental Meat Co. has an issued capital of £768,750 divided into 750,000 £1 ordinary shares and 150,000 2s 6d deferred shares. The £750,000 7 per cent. debentures are redeemable by the operation of a 3 per cent. sinking fund, and the £750,000 8 per cent. preferred stock will be paid off at 105 per cent. in 1948. As the profit shown during the first year of its working was replaced by a deficit in 1926, shareholders in this company may well feel prepared to surrender the promised half loaf to Armour and Co., in consideration of the immediate prospect of receiving substantial slices of bread. The name of this company has recently been mentioned in connection with rumours of plans for reorganising production in a way which would secure important economies in shipping, assigning, for example, the treatment of chilled beef entirely to one company's factory, and slaughter for home consumption to that of another. Whether such arrangements are contemplated under Armour management is not yet known, but, in any event, the experience of a corporation controlling 28 packing plants and 500 distributing branches, with sales exceeding \$900.5 million per annum, can hardly fail to put new life into a young and struggling company. Following, however, on the end of the "meat war" in Argentina some nine months ago, the agreement will tend to strengthen the hold of the American company in the trade.

Investment in Brazil.—It is not always easy, writes a correspondent, to obtain detailed information regarding local investment opportunities in the Latin American countries. In Brazil, for instance, information of this kind, always scanty, is likely to become more difficult to trace because of the enactment of the Legislature which relieves companies or firms from any obligation to publish details of their profit-and-loss accounts. Unlike the laws in the United Kingdom, which impose upon limited liability concerns the task of showing, with some particularity, not only what profits have been earned—or losses incurred—but how these have been arrived at, the Brazilian ordinance demands no more than a mere statement of actual profits or losses and how dealt with. More information would be likely to prove of interest in view of the very considerable prosperity attending a large number of local enterprises and in which foreign investment would seem to be particularly attractive. In the State of Sao Paulo, for instance, there exist several well-managed concerns making consistently handsome returns to the proprietors. During last year, said to be rather less than normally prosperous, substantial profits were realised and distributed after full attention had been given to reserves. The Grande Man. Brasileira de Bonbons (chocolate manufacturers), with a capital of only 360 contos (£8,640), earned profits, enabling a dividend of 40 per cent. to be distributed. The Companhia Novotherapica (manufacturing chemists) and the Companhia Fiação e Tecelagem S. Maria (cotton mills), with respective capitals of 1,000 contos (£24,000) and 1,500 contos (£36,000), paid dividends of 30 per cent. The Companhia Paulista Papeis e Arte Graphica (printers and paper manufacturers), with a capital of 2,000 contos (£48,000), returned 21 per cent. to its shareholders. A

number of others paid 20 per cent., some 21 per cent., and others between 20 and 16 per cent., while the Companhia Agricola e Industrial de Angatuba and the Companhia Agricola Manoel Pereira Lima (plantation enterprises), earned more than 15 per cent., an achievement also equalled by the Companhia Armazens Gerães de São Paulo and the Companhia Aliança de Armazens Gerães (warehousemen), their respective capitals being no more than 5,000 (£120,000) and 1,200 contos (£28,800). A similar enterprise, the Companhia Mineradora de Armazens Gerães, capitalised at 600 contos (£14,400), earned 18 per cent., while a firm of biscuit manufacturers, Companhia Industrial e Mercantil Carza Fracalanza, with a capital of 4,000 contos (£96,000), paid 16 per cent. In practically all cases the companies or firms were enabled to place large sums to depreciation and amortisation funds.

NEW ISSUES OF THE WEEK.

THE new capital offered to the public during the seven days ended July 19 last reached the high total of £8,561,250, which compares with £4,687,000 in the previous week and £9,528,914 in the corresponding period of last year. The week's experience, however, showed that the public's powers of absorption were not unlimited, the largest issue of all, that of the Commonwealth of Australia (£7,000,000 registered 5 per cent. stock, offered at 98), being left as to no less than 87 per cent. with the underwriters. The stock, like other Commonwealth issues, was a trustee security under the Colonial Stock Act. Following the improved precedent recently established in Australian Government issues, a statement was enclosed with the prospectus, giving a number of highly relevant facts regarding Australia's economic position, but the information furnished as to the proposed method of employment of the proceeds of the loan ("development works" and "loans to the States for settlement of migrants from Great Britain") was regrettably vague, in view of the large amount of new money asked for. The loan offered the investor a running yield of £5 2s per cent. and a yield including redemption of £5 2s 4d per cent. The industrial issues of the week were, for the most part, of a distinctly speculative flavour. So far, however, as a record of profit-earning capacity spread over many years can be regarded as a guarantee of continued future prosperity, this issue of Gilstrap, Earp and Company, would seem to be well secured. The parent company, established about 1750, is effecting a merger with four other companies, founded at dates ranging from 1734 to 1821, and is obtaining more than half the beneficial interest in a fifth. The share in the equity of the concern (and in voting power) offered to the public was, however, limited to one-eighth, application for four preference shares of £1 being necessary in order to obtain the right to subscribe for a single ordinary share of 5s. Three separate issues were made by companies proposing to exploit patent devices, one (Duophone) in connection with gramophone records, another (British Phototone) with the synchronising of musical and pictorial effects at cinematograph exhibitions, and a third (Ner-Sag) with the foreign rights in a mattress support. All three were calculated to appeal chiefly to subscribers content to wait for the rewards of an unknown future without requiring any precise immediate idea of their probable dimensions. A theatre-owning syndicate in three thickly populated localities offered public participation on moderately attractive terms, the vendors taking their proceeds in cash. The prospectus broke new ground among "shilling share" issues, applicants for such shares alone being "considered," though preferential consideration in allotment was promised to subscribers applying for an equal amount in cash 7½ per cent. preference shares of £1. The week's list was completed by a small but apparently well-managed and successful South Wales shipping company; a well-known London decorating business (which offered almost microscopic participation in surplus profits to the public); a finance concern controlling various companies manufacturing household mops and polishes in different countries; two speculative tin-mining ventures in Tasmania; and a silk and woollen merchanting business of war-time establishment. In the last-

named instance liabilities of £155,694 were to be taken over by the new company, against gross assets of £221,109, of which £103,380 was accounted for by stocks certified, not by independent valuers, but by "stockkeepers" and the vendor himself, the latter being also the guarantor of book debts valued at £54,729—or, in other words, for a total, in all, of over 70 per cent. of the gross assets.

The new issues of the week and the dates of opening of the lists have been as follow:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
Amount previously recorded, 259,282,485.				
ISSUES OF THE WEEK.				
NATIONAL SAVINGS CERTIFICATES. Net Sales, week ended July 14, 1928, Nil. Total Receipts April 1, 1928, to July 14, 1928, Dr £500,000.				
To the public—				
Government of Australia, £7,000,000 5% Reg. Stock, at 98%, red. at par, July 1, 1945-1975 (July 13).....	7,000,000	6,960,000	350,000	6,510,000
Gilstrap, Earp and Co., 500,000 7% "A" Cum. Pref., £1, at par (July 16).....	500,000	500,000	62,500	437,500
Do 125,000 Ord., 5s, at 10s par (July 16).....	31,250	62,500	15,625	46,875
O-Cedar Consolidated Trust, 200,000 7½% Cum. Ptg. Pref., £1, at 21s (July 16).....	200,000	200,000	50,000	150,000
Duophone (Foreign), L., 275,000 Ord., 10s, at par (July 20).....	137,500	137,500	27,500	110,000
Bovis (1928), Lim., 125,000 7½% Cum. Ptg. Pref., £1, at par (July 16) Do 125,000 Ord., 1s, at par (July 16) Theatre Securities, 100,000 7½% Cum. Pref., £1, at par (July 16) Do 100,000 Ord., 1s, at 1s 3d. Ner-Sag (Overseas), 500,000 Ord., 5s, at par (July 17).....	125,000	125,000	15,625	109,375
Charles Emsgold, Lim., 200,000 8% Cum. Ptg. Pref., 10s, at par (July 19).....	100,000	100,000	10,000	90,000
Do 500,000 Ord., 1s, at par (July 19) British Phototone, 400,000 Ord., 5s, at par (July 17).....	25,000	25,000	25,000	..
Brynmor Steamship Co., Lim., 20,000 6% Cum. Ptg. Pref., £1, at par (July 18).....	20,000	20,000	1,000	19,000
Do 50,000 Ord., 2s, at par (July 18) St Paul's River Tin (Tasmania), 150,000 Shares, 5s, at par (July 17).....	5,000	5,000	2,500	2,500
Federation Tin Mines (Tasmania), £22,500 10% Deb. Stk. at par (July 16).....	22,500	22,500	4,500	18,000
Total offered to the public.....	8,561,250	8,561,250	794,500	7,766,750
To Shareholders only—				
London County Freehold and Leasehold Properties, 500,000 Ord., £1, at 26s 6d (not 22s 6d as stated on page 81), £50,000 to be added.....	60,000	60,000	..	60,000
Central Johore Rubber Estates, 337,500 7½% Non. Cum. Ptg. Pref., 2s, at par (July 16).....	33,750	33,750	4,218	29,532
Davis and Timmins, 20,000 New Ord., £1, at par (July 16).....	20,000	20,000	5,000	15,000
Rayne, 100,000 Deferred 1s, at par (July 16).....	5,000	5,000	5,000	..
Total to shareholders only.....	118,750	118,750	14,218	104,532
Total offered for subscription to date	8,680,000	8,680,000	808,718	7,871,218
in—				
1928.....	267,962,485	267,962,485	355,165,970	267,962,485
1927.....	234,147,582	234,147,582	230,782,604	234,147,582
1926.....	138,462,636	138,462,636	232,214,500	138,462,636
1925.....	125,804,753	125,804,753	209,326,100	125,804,753
1924.....	125,772,454	125,772,454	211,393,173	125,772,454
1923.....	200,298,323	200,298,323	573,675,650	200,298,323

Comments on the new issues, summarised below, will be found at the head of this section.

Commonwealth of Australia.—Issue of £7,000,000 5 per cent. registered stock at 98. Redemption will take place in 1975, or at the borrowers' option on or after July, 1945. The proceeds will be used for development works and for sinking loans to the States for the settlement of migrants from Great Britain. All Commonwealth loans carry a sinking fund, in accordance with the National Debt Sinking Fund Acts, equal to ten shillings per cent. for each financial year, with certain qualifications, and surplus revenue is also applied to debt redemption. The Australian public debt on December 31st last was £479,658,216, equal to £76 18s per capita, the revenue per head in the last financial year being: from all sources, £12 13s 5d; from taxation, £9 11s 3d. The loan is a trustee issue.

Gilstrap, Earp, and Co., Limited.—Issue of 500,000 7 per cent. cumulative preference £1 shares at par, and 125,000 (out of 1,000,000) ordinary 5s shares at 10s. 500,000 6 per cent. cumulative £1 preference shares are already issued. The company carries on a malting business founded about 1750, and is acquiring control of four other concerns and more than half the beneficial interest in a fifth. Combined net assets are £1,569,628, and combined profits have been:—1923-4, £135,144; 1924-5, £84,421; 1925-6, £114,580; 1926-7, £123,475. The purchase price for the undertakings acquired is £807,044, plus interest totalling £27,070.

O-Cedar Consolidated Trust, Limited.—Issue of 200,000 (out of 450,000) 7½ per cent. cumulative participating £1 preference shares at 21s, ranking for a maximum dividend of 10 per cent. *pari passu* with 284,000 (out of 350,000) ordinary £1 shares, now held by the chairman, after latter have received 7½ per cent. The company is a general trust and finance concern, controlling the companies manufacturing O-Cedar mops and polishes in various countries. The profits of the Trust from May, 1927, to June 30, 1928, were £57,753, the profits of the controlled companies in their last financial year being:—American company, £52,548; Slough company, £34,154; Berlin company, £8,430.

Bovis (1928), Limited.—Issue at par of 125,000 7½ per cent. cumulative £1 preference and 125,000 (out of 3,500,000) ordinary 1s shares. The company acquires a building and decorating business, with net assets, exclusive of goodwill, &c., of £167,252, for a purchase price of the same amount, payable in ordinary shares. Profits have been:—1925, £31,274; 1926, £38,092; 1927, £51,252.

Charles Finegold, Limited.—Issue at par of 200,000 8 per cent. cumulative participating 10s preference shares and 500,000 (out of 2,000,000) 1s ordinary shares. The preference are entitled to 25 per cent of surplus profits. The company takes over a wholesale silk and woollen merchants' business established in 1916, with net assets, as at January 1st last, of £65,415, and accrued profits of £20,000, for £80,000, payable as to £5,000 in cash and £75,000 in ordinary shares. Recent profits have been: 1925, £13,405; 1926, £19,224; 1927, £32,030.

Ner-Sag (Overseas), Limited.—Issue at par of £500,000 (out of 1,000,000) 5s ordinary shares. The company is taking over the patents and selling rights of the "Ner-Sag" mattress support outside Great Britain, for a purchase consideration of £125,000, payable in 5s shares. Profits of the parent company, Ner-Sag, Limited, have been (to September 30) 1926, £5,162; 1927, £17,516.

British Phototone, Limited.—Issue at par of 400,000 (out of 1,000,000) 5s ordinary shares, in a company incorporated to develop an apparatus for synchronising musical settings with the exhibition of cinematograph films. The purchase price is not stated.

Duophone (Foreign), Limited.—Issue at par of 275,000 (out of 550,000) 10s ordinary shares. The company acquires the rights in the "Duophone" records outside the United Kingdom, the Irish Free State, and Germany, or for the sale of the "Duophone Unbreakable Record" outside these countries, North America and Australasia. The consideration to the vendor company is £150,000, of which £75,000 is for cash.

Theatre Securities, Limited.—Issue of 100,000 7½ per cent. cumulative preference £1 shares at par and 2,000,000 1s ordinary at 1s 3d. The company has acquired the issued capital of three theatre undertakings, situated respectively in North-west London, Bristol, and Dover, valued at £265,384, for £192,044, payable in cash. Combined profits have been:—1925, £31,702; 1926, £33,172; 1927, £31,259.

The Brynmor Steamship Company, Limited.—Issue at par of 20,000 (out of 65,000) 6 per cent. cumulative participating £1 preference shares, and 500,000 (out of 650,000) 2s ordinary shares. The preference are entitled to an extra ½ per cent. dividend for every 1 per cent. in excess of 8 per cent. paid on the ordinary. The company was incorporated in March, 1920, its net assets (including the present issue) being £169,871. The company owns two steamers of 2,324 and 2,697 tons net register, respectively, and is acquiring a third. Profits and dividends are given for 8 years, and have recently been (to March 31) 1925 £4,980 (20 per cent. on ordinary); 1926, £2,245 (20 per cent.); 1927, £3,425 (20 per cent.); 1928, £5,190 (30 per cent.).

St. Paul's River Tin, Limited.—Issue at par of 190,000 (out of 300,000) 5s shares, in a company formed to exploit an area of 204 acres, 11 miles South of Avoca, Tasmania. The purchase consideration is £50,000, of which £22,500 is payable in cash, and £27,500 in shares.

Federation Tin Mines, Limited.—Capital £200,000 in £1 shares, all issued. Issue at par of £22,500 10 per cent. first debenture stock. The company own tin mines in Tasmania, with leases covering 428 acres and water rights over 30 sluice heads.

Particulars have appeared of the following, for public information only:—S. Lesser and Sons (1928), Limited, issued capital £250,000, has acquired a furniture, gramophone, fancy goods, and jewellers' business founded about 60 years ago; Methuen and Co., Limited, issued capital £400,000, has taken over the publishing house of the same name, originally established in 1889; British Safety Glass Company, Limited, issued capital 150,000 2s shares, formed to exploit patents in connection with safety and reinforced non-splinterable glass; Anglo-Scottish Securities, Limited, issued capital £125,000, an investment trust and finance company; Roan Antelope Copper

Mines, Limited, issued capital 3,400,000 5s shares, own mineral properties of approximately 2,112,653 acres in Northern Rhodesia; Williams and Williams, Limited, issued capital £160,000, incorporated in April, 1910, manufactures high-class metal casements, &c.; Auto-Electric Devices, Limited, issued capital £35,000, formed to exploit the rights in an automatic self-winding electric motor for use on gramophones; Mangles Bros., Coorg Coffee Estates, Limited, issued capital £77,296, owns estates of approximately 1,885 acres at Coorg, India.

Railway Traffic Figures, Summaries of Balance Sheets, Short Notices on Company Reports, &c., will be found on later pages of this issue.

COMPANY NEWS.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash.	Interim Div.	Final Div.	Method of Payment.	Lat. at Year.	Pre-vious Year.
Railways.						
Costa Rica.....	6%*	Sept. 12	Less tax	£	2	3
Southern Punjab Railway.....	6%*	Sept. 12	Less tax 2s in £	£	..	..
Banks.						
Bank of Ireland.....	8½%*	..	Less tax	£	..	..
Hibernian Bank.....	12½	..	Less tax	£	..	..
Insurance.						
Indemnity Mutual Marine.....	14% p.s.*	Aug. 1	Less tax	£	..	..
Scottish Automobile & General.....	17½*	Aug. 1	Less tax	£	..	..
Tea and Rubber.						
Haniffa (Ceylon) Tea & Rubber.....	10%*	Aug. 31	Less tax	£	..	..
Keptigalla Rubber.....	..	..	Less tax	£	..	..
Marchiston Rubber.....	..	..	Less tax	£	..	..
Perak Rubber.....	..	..	Less tax	£	..	..
Port Dickson Lukut Rubber.....	2½%*	..	Less tax	£	..	..
Vallambrosa Rubber.....	18½%*	Aug. 3	Less tax 4s in £	£	37½	112½
Mining.						
Kamunting Tin.....	10%*	July 31	Tax free	£	40	37½
Lahat Mines.....	24%*	July 28	Less tax	£	..	..
Ropp Tin.....	10%*	Aug. 13	Less tax	£	30	55
Tekka.....	9 p.s.*	Sept. 3	Less tax	£	..	..
Tekka-Taipung.....	24%*	July 31	Less tax	£	..	..
Other Companies.						
A. F. Stoddard and Co.....	12½	..	Less tax	£	8	6
Allsopp Brewery Investments.....	10%*	..	Less tax	£	15	..
Bell and Nicolson.....	5%*	..	Tax free	£	..	..
Bolton and Sons (Thomas).....	24%*	..	Less tax	£	5	2½
British Investment Trust.....	8%*	Aug. 1	Less tax	£	..	..
British & South Pacific Trading.....	..	July 24	Less tax	£	5	12½
British Wagon, £20 with £3 paid	4% p.s.*	Aug. 1	Less tax	£	..	..
Do £20 with £1 paid.....	1¼ p.s.*	Aug. 1	Less tax	£	..	..
City Property Investment.....	5%*	..	Less tax	£	..	..
Cons. Gas of Baltimore.....	75cets.p.s.	Oct. 1	..	£	..	..
Continental Union Gas.....	..	..	Less tax 4/ in £	£	1	1
County of London Electric.....	3%*	Sept. 15	Less tax	£	..	..
Craigmillar Creamery.....	12%*	Aug. 2	Less tax	£	15	15
Crown Brewing.....	12½*	..	Less tax	£	..	..
Edinburgh & Dundee Investment	6%*	..	Less tax	£	11	11
Fodens.....	..	..	Less tax	£	6	7½
Fore Street Warehouse.....	2½%*	Aug. 1	Less tax	£	..	..
Foster, Porter, and Co.....	5%*	Aug. 2	Less tax 4/ in £	£	10	7½ (a)
Furness, Withy and Co.....	5%*	..	Less tax	£	..	..
Geo. Bassett.....	10%*	..	Less tax	£	17½	..
George West (Weatherproofs)	7% Ptg. Pref.	..	..	£	..	..
Do Ord.....	15	..	Less tax	£	..	..
Howard and Bullough.....	2½%*	Aug. 11	Less tax	£	..	..
Hunter, Barr and Co.....	3%*	..	Less tax	£	..	..
Imperial Colonial Finance and Agency.						
Do Founders Shares.....	£5/10/10	July 31	Less tax	£	8/10/10	..
London Electric Supply.....	4%*	July 31	Less tax	£	..	..
Manchester Palace of Varieties	17½%*	..	Less tax	£	25	20
Mappin Stores (Brazil).....	5%*	..	Less tax	£	7½	3
Mather and Platt.....	5%*	..	Less tax	£	..	..
McIntyre, Hogg, Marsh and Co.	3½%*	Aug. 14	Less tax	£	..	..
Mercantile Investment and General Trust.....	5%*	Aug. 1	Less tax	£	..	..
Millars' Timber.....	..	..	Less tax	£	6	8½
New Investment.....	9½%*	July 31	Less tax	£	12	11½
Plesmon.....	10%*	..	Less tax	£	10	12½
Richardson and Co.....	10%*	..	Less tax	£	..	..
Richardson's Westgarth.....	..	..	Less tax	£	5	6
South London Electric.....	3%*	Sept. 15	Less tax	£	..	..
Stoll Picture Theatre.....	5%*	..	Less tax	£	..	..
Threlfall's Brewery.....	20%*	..	Less tax	£	20	20
Wilkinson and Riddell.....	12%*	Aug. 1	Tax free	£	..	..
Wm. Hancock and Co., Def.....	4%*	..	Less tax	£	5	7

(a) Free of tax.

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COMPANY MEETINGS, &c.

BRITISH CELANESE, LIMITED.

CAPITAL INCREASE SCHEME APPROVED.

DEVELOPMENT OF THE BUSINESS.

PROGRAMME OF EXPANSION.

COMPETITION AND PATENT POSITION.

DR. HENRY DREYFUS'S EXHAUSTIVE REVIEW.

The ninth ordinary general meeting and the extraordinary general meetings of British Celanese, Limited, were held on Monday, the 16th instant, at the Cannon street Hotel, London.

Dr Henry Dreyfus (chairman) who presided, said:—Ladies and gentlemen,—This is the first time I have had the privilege of addressing you as chairman of an ordinary general meeting. The present meeting is, as you know, the ninth ordinary general meeting, and I hereby declare it open.

Before calling upon the secretary to read the notice convening the meeting I think it advisable, in view of the large amount of business which we have got to get through, and the short time within which we have to deal with it, that I should outline the procedure for the present meeting and the subsequent extraordinary meetings. I suggest that the report and accounts and the special resolutions which have been circulated to you, and which have been laid on the table, shall, in view of their length, be considered as read, so as to leave sufficient time for any shareholder who desires to speak, either in favour or disfavour of the proposed scheme, to do so, after having heard what I have to say in addition to what is stated in the report already before you.

I am particularly anxious that the shareholders who wish to speak may be heard, and may have sufficient opportunity in the proceedings which follow to express their views. Further, I am anxious to have the opportunity of satisfying everybody by my replies, as I have the conviction that I shall be able to satisfy everybody, with the exception, perhaps, of a few die-hards, if there are any present. I do not mean, of course, political die-hards, but rather Celanese die-hards.

LARGE SHAREHOLDING OF CHAIRMAN AND HIS BROTHER.

I think also it will be of great interest for you to know, when you are considering and judging the proposed scheme, that I myself, with my brother, represent practically one-half of each class of shares, ordinary and preference; that is to say, we represent a half of the existing equity. This means that in suggesting the scheme which is before you, based on the deliberations and decisions of your board, there can be no suspicion or thought that I wish to favour the one or the other class of shares. Your board and I, personally, have been guided only by principles of fair and equitable dealing. I am convinced in my own mind that the complaints received from the few dissentients from whom we have heard are only due to the fact that the scheme is rather complex, as obviously it must be, and therefore it may not have been sufficiently understood from its different points of view.

OVERWHELMING SUPPORT.

In this connection it may be stated, to give you an idea, that the number of shareholders who have sent us their proxies against the scheme is four. This may be an indication. I am making it my business to-day to explain it in a way which I hope will show you its absolute equity and give us, as a board, the satisfaction of having gained your approval, because I think we have an overwhelming majority, as you know, and as it will be stated later on, based on the unusually heavy voting having taken place, which is a clear indication of the favourable view taken by the overwhelming majority of shareholders. We should be more than satisfied if we could feel that we had the whole body of shareholders behind us, as we wish to serve all the shareholders, irrespective of the size of their holding, to the best of our ability and judgment.

Having outlined the programme, and explained to you the reason why we want to deal with the legal and formal matters as shortly as possible, I will now proceed with the meeting. I call upon the secretary to read the notice convening the meeting.

The Secretary having read the notice convening the meeting and the auditors' report, the accounts were laid upon the table.

THE CHAIRMAN'S REVIEW.

The Chairman said:—Ladies and gentlemen,—Now that we have dealt with the legal formalities, I am going to give you as exhaustive explanations as the time at our disposal will permit, bearing

in mind to leave sufficient time for the different shareholders who may wish to speak to express their views, and afterwards, as mentioned, I wish to reply on behalf of your board to the various queries raised, in the hope that I may be able to convince you, and that we, as a board, may gain the unanimous support of the people assembled here.

First of all I wish to apologise for the absence of Mr Murray, who wrote me a letter which I received this morning. He is sorry he cannot come, but he wanted to emphasise his support. I may add that, of course, Mr Murray is well known in Scotland and here in London in financial circles, and his judgment is very well known. He was one of the main instrumental people in bringing forward the scheme, and he could not quite understand some of the criticisms brought forward. Anyhow, we will deal with that afterwards.

Then I want to apologise for the absence of my brother, Dr. Camille Dreyfus. He hoped that it would be possible for him to be present, but, while he is not with us in person, he is with us in thought and gives us his full support and help. However, we have the great satisfaction and good fortune of counting among us Mr George Whigham, who is well known in financial circles in London and New York, and who is probably also well known to many of you as chairman of the Celanese Corporation of America.

PROFITS AND POTENTIALITIES OF THE COMPANY.

As you know, the gross profits for the year under review were substantially over £1,600,000 and the net profits substantially over £800,000. If you look at the report and balance-sheet you will find many items representing new capital arrangements and their combined relationships, which require some explanation in order that you may understand the reason for their initiation and the results which your board expect from them. Therefore, in order that you may understand the report and balance-sheet and profit and loss account, and the reasons for the differences as against the previous year, I consider it advisable, with your permission, to refer to the proceedings at the last extraordinary general meeting, when I gave you a lot of information on many important matters, including the future policy of this company, as from the date of that meeting.

When I have recalled to your memory the points mentioned at that time, you will easily be in a position to appreciate what has been done in the spirit of the declarations then made, and the progress that has been made by your company. In referring, however, to the proceedings at the last general meeting, I do not wish in any way to refer to controversial matters, which I consider to be past history and which, as stated at the last meeting, do not contribute to the progress of this company. I am also excluding, in the explanations I am about to give you, any mention of patent questions, cartelisation, competition, and matters connected therewith, as I wish to deal with them later in my explanations to-day.

CHAIRMAN'S CONTENTION CORRECT.

If you cast your mind back to what I told you at the extraordinary general meeting last year—and in fact I have before me here one of the newspapers recording the report—you will remember that the main outstanding words, which I took as governing the whole position of your company, were "Reconstruction," "Earning Power" and "Potentialities." I stated at the time that "Reconstruction" was not, in my opinion, necessary as I could see a way in which the whole company could be put upon an ideal basis without reconstruction. I think the events which have happened this year will have proved to all of you that my contention at the time was correct, especially when you consider that the company, at that date, had a very limited credit and had difficulty in raising the relatively smaller amounts of money required for its development, whereas, during the year under review, £4,000,000 new capital has been raised, as is indicated in the report and balance-sheet, and used in the best possible way for furthering the progress of your company. This has only been possible based on what I explained to you at the

last extraordinary general meeting about the earning power and potentialities of your company.

ASSETS AND PROFIT-EARNING CAPACITY.

I pointed out to you then that whatever the figure the assets and goodwill might appear at in the balance-sheet this was immaterial unless the earning power and the potentialities of the company were such as to render possible the evolution of a programme which would easily take care of the whole position. As I stated, suppose the company had £10,000,000 assets but had not the necessary profit-earning capacity, these assets would be useless. And that you agreed with me at that time was proved by the overwhelming majority of the shareholders who were in favour of the programme which was then recommended.

You will have seen from the balance-sheet presented to you how it has been possible to arrange and clear up that balance-sheet based on the decisions taken by your present board in the latter part of the year under review; in fact, the increased capacity which provides the basis of increased earning power which I predicted at the time is already established to a large extent, and will be completed in one or two months. Your company will then be in a unique position so far as earning power is concerned, and will have surpassed any existing company in this country as and when, of course, your sales organisation is able to take care of the increased production, which I have no doubt it will be able to do based on the arrangements made, in spite of the present rather precarious general trade conditions.

POLICY OF THE BOARD.

While on the subject of what happened at the last general meeting, I come, before proceeding to the present position, to a point which is of particular interest for you, as it enables you to appreciate what has been done in the year under review, and also what it is intended to do based on the new scheme put forward for your approval to-day. I repeat word for word what I stated in the impromptu remarks which I made at the last extraordinary general meeting, when I conveyed to you my feeling about how things would work out.

These remarks are of importance to-day, when you consider them in the light of what has happened since. I quote, therefore, what I stated then: "The aim of the new board is to go for a policy which takes full advantage of the possibilities developed now in such a way as to get the biggest production from every point of view, and to get to a stage of not only paying dividends, but of paying big dividends, and of not only leading to success, but to the biggest possible success, which you never would have expected, because this silk of yours is the best in the world in quality, and there is no reason why it should not be preponderant in quantity, especially as the consumers prefer our silk."

WHAT HAS BEEN ACCOMPLISHED.

When you consider what has happened during the year under review, and the steps taken by your board, you will find that the views expressed at that time as to the aims to be achieved have been justified to a large extent. What has happened? After the general meeting, and still more after the extraordinary general meeting, we sat down to work out the necessary scheme. This took us about four or five months, and it was only ready at the end of September, or during October. Our idea was to build up the best possible scheme which would utilise to the fullest extent the advantages of your Celanese in its various aspects from a profit point of view—that is to say, which would create the best possible profit potentialities. The working out of this scheme, and the estimates for it, represent, as some of you may perhaps understand, a tremendous amount of work, especially as we were anxious to get it through in the quickest possible time; and I should like to take this opportunity of expressing your board's satisfaction at the way in which your staff at Spondon worked in order to get out the bulky information which we required before we could prepare the final documents which gave us the capital requirements based on which the issue was made. It may perhaps seem strange to you, but it is a fact that it is easier to accept the money than work out the various schemes which go to build up the estimates to a point of justifying the profit potentialities.

These schemes, and the estimate of their value, are very complex, and before one can take the responsibility of accepting such sums of money it is necessary to establish a time-table based on which one can state with some accuracy when the plant will be ready, as you will realise how important such a matter is when one is embarking on the expenditure of such substantial sums of money. You can take it from me that the money was not asked for, or accepted, until after all these points had been worked out and settled with all possible precision—until we were satisfied that the money would be employed to the best possible advantage. When that scheme was ready your board, having already had many discussions with your financial advisers, Messrs Cull and Co., definitely worked out the conditions under which they were prepared, based on the proposals of Messrs. Cull and Co., in the best interests of your company, to accept these sums of money.

This was done, as you know, in the form of second debentures of convertible nature, into the details of which I will not go now, in view of the shortness of time at our disposal, as I presume you know all about it.

CONFIDENCE IN THE COMPANY.

When you consider the position of your company at the time, and all the criticism which was launched against us from different quarters, you are bound to agree that in the circumstances the conditions offered by Messrs Cull and Co. were excellent ones, and that is the reason why they were accepted. In fact, a financial operation of such magnitude was only possible at the time as compared with previous periods when the company had restricted credit owing to the fact that confidence in your company had been re-established. This increasing confidence was also expressed in the rising values of your shares, as against the previous period, and again it was a rising of the shares which enabled Messrs Cull and Co. to take the responsibility of this issue.

As you know, the first issue was for £2,500,000, while £500,000 was kept in reserve, with the idea of issuing it at a later date. Of this amount of £2,500,000 the larger part had to be used for settling the Holdings royalty, and also the repayment of the second debentures then existing to the extent of £286,000, which absorbed nearly £1,500,000; so that for the real development of the business only a relatively small amount was available, anyhow, substantially under £1,000,000.

ROYALTY QUESTION.

The importance of the settlement of the royalty question may be gauged when you consider the trouble we have had in the past with that company and which impeded your progress in every direction and made it absolutely imperative that we should put an end to any interior connection with the Holding Company, now the Canadian Holding Company. How important it was to arrange a settlement and, therefore, to stop any relations between the Holding Company and your company may also be realised when you consider the direct and indirect activities which were pursued by the Holding Company after the settlement, and especially their activities in conjunction with your competitors. This settlement, which implied the stoppage of your relations with the Holding Company, in fact enabled your company to proceed with its development and to arrange its finance unhampered by these opposing interests.

Your board, therefore, felt themselves justified in making the settlement with the Holding Company. Also it is strongly of the opinion, as expressed by me at the last extraordinary general meeting, that in view of the activities of the Holding Company against your company, their contract was, in all probability, no longer binding, and in addition to that your company probably had heavy claims against the Holding Company. In connection with the above settlement, some kind of compromise or understanding was arrived at that all direct or indirect activities against your company should cease, but for obvious reasons these activities did not cease; in fact, the understanding that the Holding Company would not, in view of its privileged position, engage itself in activities, in particular competitive activities, against your company formed the basis of the creation of the Holding Company in 1922. But, however, not only was this understanding not adhered to, but the Holding Company misused their privileged position in order to act in all sorts of ways against your company. It was, therefore, to be expected, after the settlement which I have mentioned, that the promises made would be forgotten or ignored.

As a curious sign of gratitude to your company, out of whom they have made so much money at the expense of the British Celanese shareholders, antagonistic interests have been created since that day by the company in question, or rather by its Canadian successor. I wish here to emphasise in parentheses that, after having made their fortune, as you are well aware, as an English company (with fortunate consequences for them, but unfortunate consequences for your company), they then, also as a sign of gratitude to England, in which country they made their fortune, transferred their activities to the Canadian Holding Company with possibly the intention of declining even moral responsibility towards your company for the promises made, and of making more remote the possibility of any legal steps being taken against them by your company.

THE TUBIZE COMPANY.

In making the arrangement in question, we made certain very pertinent reservations, and I mention that specifically because statements to the contrary have been circulated from time to time. These reservations have enabled your company to reserve its claim against the Tubize Company, and indirectly against the Holding Company, in so far as the latter controls the Tubize Company, and was and probably still is the driving force behind the Tubize Company in all its activities against your company for obvious reasons.

In fact I have reasons for thinking that in developing the company as a finance company the people responsible think that the principle may be admitted of passing over the agreements between Tubize and my group and Tubize and your company, using the privileged position of the Holding Company; that is to say, the fact that they control the Tubize Company and have a majority on the board of the latter company.

In other words, they (the Holding Company) may think, based on this position, that they were able to obtain the processes and use them unfettered at their discretion, to their advantage, ignoring us as having no contractual connections whilst professing as Tubize Company that they may not have done so. I only refer to it so as to show for your appreciation this side of the position in combination with the above-mentioned in connection therewith. However, whilst we watch the position carefully, I myself have personally expressed my views about the Tubize Company in a statement issued some months ago, when it was a question of introducing the shares of this company here. However, that we do not attach any further importance to these activities or to those of the Tubize Company against your company is proved by the fact that we have not even mentioned them in our report, as we do not want to waste any more time on these relations. I only want to mention it so that you have, once for all, the true history of it.

I now come back to the subject to which I have already referred. I have showed you how the money received from the first issue of £2,500,000 has been employed and how the bulk of it was used for purposes other than for increases to plant, leaving for the latter an amount substantially under £1,000,000. This latter amount has been combined with your other financial resources in order to enable the programme, as outlined in the letter which I addressed to Messrs Cull and Co. on the occasion of the £2,500,000 bond issue, to be fulfilled, without, however, taking into account the resources available from the American and Canadian securities held by us, as it was considered that, in view of the potentialities of the latter, it was better to hold these securities and not realise them for financial purposes.

EXTENSIONS AND CONSOLIDATIONS.

Whilst, however, the programme as outlined by me at the last extraordinary general meeting was proceeding full-steam ahead, and it was expected that it would be completed in the middle of 1928, your company was proceeding to make further estimates for various further extensions and consolidations, and also in the form of important improvements, reductions in cost, &c., which involved an additional finance programme over and above the one already adopted. As a matter of fact, at the time when the first finance was raised we had in mind, together with our financial advisers, to come back later on when we were ready to the question of further estimates for further extension and consolidation, and to the raising of further finance, so as gradually to put your factory into an ideal position from a profit-earning point of view. It will be realised that the task of working out the new programme dealing with the various improvements and additions and consolidations in their relative combinations and complexities was a gigantic one to execute.

The various items had to be worked out, and estimated and combined, and brought into a form in which they were presentable and acceptable as being capable of producing the best possible results, based on the capital invested. Therefore, when your board deemed that the first task undertaken, based on the first financial issue, was progressing favourably, and was well in hand from a construction and time-table point of view, and when the estimates were available for the increases, improvements, and consolidations, the nature of which, in your interest as shareholders, I do not wish to reveal, we decided, in agreement with Messrs. Cull and Co., to prepare further finance, and therefore the last portion of the authorised issue of the debentures up to £3,000,000 was sold on favourable conditions, together with an amount of 350,000 ordinary shares, issued at £3—that is to say, at a premium of £2 10s. The conditions of the issues are already known to you, so that I can save time by not enlarging upon them now.

REPLY TO QUERIES.

I take this opportunity of replying to some criticism which was raised as to why the shares were not issued to the shareholders, but were placed privately. The answer is quite simple. You know very well the influences which are at work against the interests of your company. The fact that these interests were at work would have meant that an issue of ordinary shares, with all its complexities, would possibly, if made publicly at that time, have been detrimental to your company, and therefore your board, having the offer, thought it better to accept it firm rather than take the risk of publicity which might eventually have been damaging to the interest of your company. Such antagonistic influences which your board had anticipated were, in fact, forthcoming, and it certainly would have influenced many shareholders; in fact, I myself, as the biggest ordinary shareholder, thought that it was in my own interest to agree to the proposition even though it diluted the equity.

Having mentioned the facts about the finance and explained to you the guiding principle of that finance scheme, you will easily understand the balance-sheet and profit and loss account presented to you to-day, and how it was possible, based on all the arrangements made, to clear up the balance-sheet in such a way as to be able to declare already a half-year's dividend on account of the arrears of dividend.

DIVIDEND OUTLOOK.

Therefore you will appreciate that it is evident from the year's results before you that your company should, subject to the continuance of the actual trade conditions, be in a position in the future to pay a regular dividend on the preference, and even a dividend on the ordinary shares.

In saying this I have not even taken into account the increased profit-earning capacity created by the increase of the plant, based on the financial arrangements which I have outlined, and which were mentioned in my letter of October 3rd, written on the occasion of the issue of the £2,500,000 bonds. This enormous increase of profit-earning capacity outlined in the above letter should have unquestionably put us in a position, provided normal trade conditions prevailed, and as soon as your sales organisation is able to take care of this increased production, to pay not only a regular dividend on the preference and ordinary shares, but even a very substantial dividend, as you can easily reckon out for yourselves. In this connection you can rest assured that every step has been taken to arrive at such a happy state of affairs as quickly as possible, and I am sure you will have sufficient confidence to rely on your board to do all that is necessary in this connection, when you consider what we have done during the last year, and the enormously increased production capacity which we have put into operation, and therefore the increased earning capacity, as forecast in our time-table. In fact, I am coming back later on to this point.

I need not go into the details of the balance-sheet and profit and loss account, because the figures speak for themselves, when you compare them with the figures of the previous year.

FACTORY INCREASES.

My letter of October 3rd last, written to Messrs Cull and Co. on the occasion of the last issue, explains that it was expected that the plant for increasing the capacity to the figures stated therein would be completed by about the middle of the year, and that, further, subject to normal trade conditions prevailing and the goods being disposed of, the plant would yield the profits which were mentioned in that letter. I can tell you to-day that in spite of the gigantic size of the task undertaken the factory increases mentioned in that letter have been realised, with no delay in certain parts, and with a relatively small delay in other parts. The production capacity which will enable us to earn the profits mentioned will be nearly reached by the end of this month, and will, in any case, be fully attained during the next two months. Therefore, so far as that is concerned, the tremendous task undertaken by your board has been fulfilled.

You will understand what a tremendous thing this is for your company, and how it puts your company in the forefront of all other artificial silk companies in this country. Further, you will realise what an influence it has on your financial position from every point of view. I need not enlarge on this point, as you can yourselves make your own calculation without any hint from me. You will, however, I am certain, understand that from a sales point of view, quite apart from its seasonal nature, you cannot just dictate the terms you wish and always dispose of the goods as soon as you have them ready. The sale of such enormous quantities is not a question of a mathematical formula; it requires a lot of thought and working out, and development, and an enormous amount of energy in various directions. It is impossible that the readiness of the sales organisation to dispose of such quantities shall always exactly coincide with the readiness of the plant to produce the goods, especially as we are passing through a difficult time in the industry, as you yourselves know.

PRODUCTION AND SALES.

You have only to look at the papers, particularly from the point of view of the textile trade in Manchester, to realise that the state of affairs which exists must have some kind of reflection on many businesses, and particularly on a business of our kind. In spite of this, you may rest assured that your board are more than confident, based on the innumerable arrangements made, to be able to dispose of the company's goods in ever-increasing quantities, and we shall leave no stone unturned to make the production capacity now available, and therefore earning capacity based on prevailing market conditions, fructify to the fullest possible extent, and as speedily as possible in the form of 'real financial results. I am sure that you will give us your confidence and rely on us to do what is necessary in order to place your production capacity from a sales point of view when you consider what has been achieved

during the past year and the enormous production capacity which has been put into operation in such a short time. While we have made arrangements with a view to achieving the results mentioned, in spite of the very unfavourable conditions, it goes without saying that if trade conditions were favourable to-day we should even now be disposing of our goods (as in fact we did in the previous periods) to the requisite extent in order to achieve the results mentioned.

BOARD'S CONFIDENCE IN THE FUTURE.

Therefore it will be realised that should trade take a turn for the better, then obviously your company would be immediately in the most marvellous position. Whilst, on the other hand, you can rest assured that even if things do not take such a fortunate turn, your board has taken every step which it is possible to take in order to achieve the best possible results; in fact, you will easily understand that, in view of the enormous superiority of your Celanese, as recognised throughout the world and that it is preferred by our clients and the public, the board feels certain that it would be able to dispose of goods even if it were a case of having to replace all other silks. However, your board are of opinion that this replacement will not even be necessary in view of the ever-increasing consumption. Your board have, in fact, such confidence in the future of your company that they recommend, without hesitation, the further expansion of your business, driven by the desire to put your company in the most ideal position by far surpassing that of any other company from every point of view.

There is no doubt in the mind of your board that the new moneys provided will not only contribute to consolidate the expected results as mentioned, but will also help to increase them very substantially, subject to the prevalence of normal trade conditions, at the same time putting your company in the premier position among all artificial silk companies, so that you may be in a position to meet, efficiently, any competition, and so far as we humanly can foresee, be affected to the slightest possible degree by reductions of prices, &c. This is our aim, and we shall not rest until it has been achieved.

"THE FUTURE IS FOR CELANESE."

Our aim is not only that your company shall occupy the first place as regards the quality of the silk which has been achieved and maintained, and which is recognised throughout the world as the best, but also from a quantity point of view, to get to a point when the dictum which I made at the last general meeting will be fulfilled in this respect also, namely, "The past has been for viscose, and the future is for Celanese." Therefore, you will, I am sure, understand the importance of the capital scheme, which is recommended by your board, and the necessity, based on its adoption, of an adjustment of the respective shares and their existing arrears, in a way which is equitable from every point of view for the different classes of shareholders, and which will ensure the greatest possible prosperity for your company in the future.

Your board will pursue its aim in this direction in the same intensive manner as in the past. In fact their eagerness to attain the same has already caused some people to suggest that they may be going too fast, but, in view of the explanation given, you will readily appreciate that this is not the case. The scheme which is before you, regarding the capital requirements, represents, in the opinion of your board, the final financial structure for a long time to come, which should enable your company to exploit your processes in this country under the most ideal conditions from every point of view.

PRINCIPLES OF CAPITAL SCHEME.

Having stated the purpose for which capital is required, I wish to put before you the governing principles which led your board to recommend, for your approval, the suggestions contained in the report submitted to you, and also the resolutions which you will be asked to pass. In view of the length of time already taken up, I do not wish to repeat the resolutions now, or the principles of the scheme as it affects the preference and ordinary shareholders, but I wanted to confine myself to the reasons.

In order to understand the position, you must realise that the ordinary shareholders in the past have borne the brunt of the financial arrangements, the number of the ordinary shares having been increased in this year from 2,300,000 shares to 3,025,000, including the conversion shares, when taken up, relating to the Convertible Bearer Bonds in case they are converted, which means a dilution of the equity of over 33 per cent. This has been done without opposition from the ordinary shareholders, in the desire to help further the development of your business to the fullest extent.

POSITION OF PREFERENCE SHAREHOLDERS.

The preference shareholders must, therefore, understand that this process of dilution of the equity of the ordinary shares, in order to provide the necessary finance, cannot be continued. If

we allowed it to continue we should lay ourselves open to serious criticism and should break all rules of fair play, which I am sure none of you wish to see done. I am certain that you do not want one class of shareholders to get a very substantial advantage against another class; in fact, I could not lend my hand to it. Is it not realised that it is the ordinary shareholders who have helped to increase the value of the preference shares by putting up the money required, and so increasing the future potentialities of the preference shares?

I repeat that I can speak on this subject from a perfectly neutral point of view, and, in fact, my views should have a special meaning, as they represent half of the preference and half of the ordinary share capital, so that I cannot be accused of favouring one or the other. I even go so far as to say that the preference shareholders have got rather more than the equity demanded, based on our desire to give some advantage to the preference shareholders, because they are preference shareholders, and should, therefore, be in a somewhat preferred position. When you consider how the equity of the ordinary shareholders has been diluted in the past, you will understand that in putting forward the new capital proposals it was necessary for your board, first of all, try to find some equitable scheme whereby both classes of shareholders would contribute proportionately to the further capital required.

With this object in view it was thought that the best way to deal with the position was to separate the participating rights of the preference shares from the basic preference shares, with their cumulative effect, and to give, as compensation for the past, substantially larger equity in the form of ordinary shares than they were entitled to, based on a mathematical calculation. In addition to this, they get 2½ per cent. over and above the 7½ per cent. cumulative dividend to which they were not entitled, neither by law nor by equity. Your board consider that in their proposals they are not only compensating the preference shareholders for the rights which they have given up, but are rather showing them a preference, for the reasons mentioned. I have only given you one reason why the preference shareholders should be more than satisfied with the scheme recommended as being more than fair and equitable. I do not wish to enlarge further on the matter, in view of the time it would take, but in case there are any shareholders to whom the scheme is not perfectly clear, I shall be very glad if they will express their views, so that the position can be fully explained to them.

"FAIR AND EQUITABLE SCHEME."

Now I want to deal with the votes. To show that our scheme has been found equitable, I only mention the voting figures, which show that we get an overwhelming majority. In this large hall, which seems to be very well filled, there is a large number of shareholders assembled, therefore I do not know what is going to happen and what the voting will be: we will see. Then, secondly, the number of shareholders who have written to us disapproving of the scheme, as per their proxies, is four. Then, as regards the total number of all the shareholders, we have the biggest poll we ever had—namely, a combined total poll of 74.6 per cent. for the first general meeting, and for the extraordinary meeting we have 77.8 per cent.; and I know we received a lot of votes which we could not count, because they came too late, because, as you know, the meeting was convened very quickly. So that these figures speak for themselves and mean really that the general body of shareholders, if I can interpret their wishes, consider that the scheme is fair and equitable. I only wanted to say that by the way.

Now, as you know, in their statement of November 17, 1927, your board informed you that they would in future issue a quarterly statement to the shareholders of the progress made. In view, however, of the continuous attacks made on your company from various quarters, of which you have read in the newspapers, your board thought it desirable, in the interests of your company, not to make such statements for the time being.

CARTELISATION.

I now wish to deal with some items which were already referred to at the last general meeting, and which I mentioned previously—namely, cartelisation, the patent position, and competition—all of which you will realise are more or less closely interconnected. You have heard a lot about cartelisation, and you have seen how your company has consistently and persistently refused to have anything to do with it. I need not go into that side of it, as the Press has been full of it, probably at the instigation of certain interests which were rather anxious about the progress being made by British Celanese at the expense of other artificial silk companies. In this connection I refer you to the statement which I made at the last general meeting, and my point of view has not varied since that date. I think, in fact, that it is rather complimentary to you that so many efforts are made in this direction by the most important artificial silk interests.

The word "cartelisation" in itself implies that certain big interests feel that it is advisable to get to some arrangement which

will protect them against growing competition. They are, no doubt, afraid of your acetate silk, which is recognised as the best in the world. This alone can be the reason why so much interest has been displayed and so many efforts made to bring your company into some cartel arrangement. We, however, as I stated at the last extraordinary general meeting, took the view that we wished to develop ourselves. We are just emerging from a period of great difficulty and are making steady progress, and have, as I stated, arrived at such a production and earning capacity that, in our opinion, it would be obviously against the interests of your company to make an arrangement by which we accepted from any point of view, and in particular from a production and quantity point of view, the *status quo ante* as suggested, or even the status of your big development, especially when you consider the potentialities which are before you and which are only starting to be developed, and when you consider that it is recognised throughout the world that you have, together with your allied companies, the best silk in the world.

STRENGTH OF THE COMPANY.

As I have already stated, we are adhering to the principle that the past has been for viscose, and the future is for Celanese. We will adopt it as our slogan for the future, and live up to it to the fullest possible extent. This is the more important as your board is aware of the strength of your company in all its phases, and you must yourselves be aware of that strength when you consider what difficulties your company has passed through, and the energy which it has developed in building up this business, based on a scientific and technical organisation which is second to none in this particular industry. Further, when you consider that this organisation was built up under circumstances of the greatest possible difficulty, right in the face of the fiercest competition, and that nothing was left undone which could possibly impede the growth of your company, and when you consider that, in spite of these difficulties, the company has reached the stage where it is at present, you can imagine what it is capable of doing in the future, in view of the impetus given to it by all that it has done in the past.

I feel myself, having been instrumental in the development of this industry, as you know, and taking into consideration the innumerable processes existing, and the research and the improvements going on, and the effects which the latter will have in the future, I say that I feel myself the enormous strength which your company possesses, and that it is capable of meeting any competition in this country, and certainly I do not see any reason why your company, having already reached the biggest production capacity of any company in this country (having due regard to the deniers produced), should not only maintain this position, but should go on and develop it further in view of its enormous potentialities. You can rest assured that all our energies will be devoted to this task, and we shall leave no stone unturned in our efforts to attain that goal. That is why we have arranged, as stated, for this further increase of capital.

COMPETITION.

You have heard during the year under review, and even lately, continual talk about competition, and other companies having been formed to compete with us. Naturally, you will gather from what I have just said our attitude towards such competition. We have taken every step that it is possible to take. You know that one can go very far in building up such processes from a combined chemical and engineering point of view. Well, I can tell you that we have gone a long way with the steps which we have already taken, and we are going on until it is impossible to go any farther by any ways or means, which means in chemistry and engineering there is a limit of possibilities, so far as costs are concerned; and I think with the dispositions we have taken we are nearly at that limit, so that we do not fear anything. And, fortunately for you (on which I had the opportunity of expressing my opinion at the last general meeting), these limits are, in my opinion, substantially lower than the limits of other silks.

With the many years' experience of your staff with this research and improvements which are still being made, we are certain that we shall be able to meet any competition in this country, and deal with it properly when the time is ripe, and when we consider that it is in the company's interest to do so. You can rest assured—never mind what you may hear from certain quarters, or what rumours may be circulated from time to time—that, quite apart from the superior quality of your products, your company has worked out the cheapest possible processes, and I emphasise the word "possible" again, because it is possible to do so, based on certain limits.

PATENT POSITION AND SUPERIORITY OF CELANESE.

You have also heard a lot about the patent position, and about the views of experts who claim that certain facts are correct on one side or the other. I need hardly point out to you how easy it is to get an expert opinion in one direction or the other, and how, according to the interests which they represent, different experts

will give diametrically opposite opinions. In fact, one gets the same experience in the legal profession, where, quite naturally, according to the circumstances, different people have absolutely divergent views, and generally the desire or hope of a certain party to have a certain opinion given is the guiding principle in the expression of opinion of the expert, whether technical or legal. I need not enlarge upon that point—you will know what I mean.

I now wish to call your mind to what I told you at the last extraordinary general meeting about the patent position. I do not take back anything that I then said. I am more convinced than ever that your company has a monopoly in this direction, based on the hundreds of patents which I then mentioned, and on the various improvements which have since been made in all directions—this quite apart from the important position which it occupies, based on the experience gained with all the trained staff in its scientific and research sections. I may say that this experience may be just as important as the patent position itself, as you will readily appreciate.

PIONEERS IN THE INDUSTRY.

As you have seen, many companies which have sprung up claim the right to manufacture acetate silk independently, and no doubt they honestly believe that they are right. You cannot take away that belief, and we wish them good luck. However, as you know, your company are the pioneers in this industry. They created the industry, and have, they believe, the master patents which govern the whole position. It will be noted how, directly your company was successful, and the importance and superiority of your Celanese products were recognised throughout the world, this process of imitation started. This is quite natural, because once something important is established everybody tries to imitate it; as they think that when somebody else has succeeded they themselves may probably make a success in the same line without spending too much time or money or energy on it—provided only that a way can be found of escaping the patent position. I should say that it is more than flattering to your company that all the biggest artificial silk interests are so keen to imitate your product, and to try to find some way of producing acetate silk without infringement.

What you must realise, however, and what I wish to emphasise, is that your company being the pioneers in this industry, and possessing the master patents, can make their own choice of the time or period when, if ever, they will start legal proceedings in order to enforce the observance of their rights.

That is to say, the other companies will have to await the moment when it is convenient for your company to take such action. Remember that infringement of patents is only of a theoretical nature in so far as damage is only done and due when you have a production and the damages to be awarded are more or less directly proportional to the amounts produced and sold, and are therefore only of interest in case of big production. Therefore it would be only a theoretical fight and a waste of money in legal matters if one started to-day with that small production which is going on, if it does go on. When once your company finds it is the proper time and is making enormous profits which latter may then coincide with larger productions by those companies if the latter takes place at all, even so it is doubted for many reasons and therefore the damages to be expected may be very substantial and dangerous for the others; then and then only shall we consider the possibility of devoting a relatively small part of the profits to this task; but whilst this amount may be relatively small to us it may be a relatively big amount for the companies whom we may then attack in order to enforce our rights. Therefore it has to be assumed that a very difficult position may arise for them at that time.

A WARNING.

They, of course, may hold a different opinion as to what we can do, but, anyhow, they have received due warning from us. This warning has been given so as to establish once for all the rights of our company, and to inform not only our own shareholders, but also the shareholders who have taken an interest in the business in question, and the public at large, that British Celanese claim that they have a monopoly in this manufacture, which they may, at a future date, enforce—and therefore that such companies may be running a grave risk. Therefore we wish to make it quite clear that if in the future proceedings are taken which are successful for British Celanese, heavy damages may be awarded, and therefore the shareholders of the companies in question cannot reproach British Celanese for not having warned them in due time. Further, if factory organisations should be set up which should be considered to be of public utility, no sympathy can be claimed on account of what may happen to these organisations of public utility in the event of your company deciding to interfere.

As I have said, if and when your company starts proceedings they will do so at their own convenience, especially in view of the fact that, although we hear a lot from various quarters about so-

called competitive articles, the production of such articles (if, in fact, it takes place at all) is only on a reduced scale; and, in fact, it is even possible that the articles may be imported in order to create a certain impression for obvious reasons. Therefore, from our point of view it is much better to let matters go on, because the bigger the quantity produced the bigger the amount of the damages will be afterwards. One cannot claim damages based on a theoretical infringement. They are only measurable based on the amount sold.

In this connection I think it is rather interesting to note that when the statement was issued at the time about the patent position, a lot of criticism was raised by interested parties, and it was assumed that the drop in the price of your shares at that time was mainly due to that statement. The truth of the matter was, however, that there were other agencies at work to promote that fall in the prices, and I am convinced in my own mind that if at that time the shares had by any coincidence risen the statement would not have been criticised in the same way; on the contrary, it would have been considered as having a most marvellous effect. That is my opinion, based on my experience of similar occurrences.

I am now at the end of my explanations, and have explained the position of your company to you frankly, and based on my fullest conviction, and you can rest assured that your board will do everything in its powers to further your interests. I stated last year that I should not rest until your company was the first artificial silk concern in this country, both from the point of view of production and profits. I can say to-day that at least the first part of this regarding production is achieved (having due regard to the denier produced), and we shall do our level best to achieve the latter part regarding profits so that you may be proud of your undertaking.

THANKS TO THE OFFICIALS AND STAFF.

Before I conclude I must not omit, on behalf of the board, to thank the officials and staff at Spondon and London, from the highest to the lowest, for their unceasing work and loyal and enthusiastic co-operation in every direction during the difficult period through which we have had to pass.

I am now prepared to answer any questions which any shareholder may like to put to me.

Nine shareholders had the opportunity of explaining their views, favourable or otherwise, and to put their questions, which the Chairman proceeded to answer.

The Chairman, having satisfied himself that no one other than the nine shareholders had any points to raise, proceeded to the moving of the resolution:—

I beg to move "That the report of the directors and the balance-sheet of the company as at February 29, 1928—the resolutions are excluded in that case—be and they are hereby confirmed"; and I ask Sir William Alexander to second this resolution.

SIR WILLIAM ALEXANDER'S SPEECH.

Sir William Alexander.—Ladies and gentlemen,—I rise with pleasure to second the adoption of the report. The most exacting shareholder could not fail to be impressed with the frankness of the chairman's address. Dr. Dreyfus has reviewed past difficulties, present progress, and future prospects of this revolutionary British industry in what he stated to you before us. As one who has been steeped in the chemical manufacturing trade from earliest youth, you may be interested to hear very briefly a few of my impressions from a different angle—namely, the security of this growing industry. As the chairman stated, much propaganda has emanated from would-be competitors and others who have envied your company the success it has achieved in bringing Celanese to its present position, and it is, as your chairman stated before, very flattering for your company that so many big interests are trying to imitate you, and is, I suggest, also a proof of the value of your processes.

Neither you nor I would like to have our capital invested in a business which nobody would copy or imitate, and the greater the success the greater the temptation to copy is, and not always by fair means. When the Viscose patents ran out, there was a flood of ventures to exploit that type of artificial silk, but many discovered that patent specifications are only a part of the requirements of production of marketable material. Still greater has been, and will be, the difficulties facing those who would enter the acetate silk manufacture, irrespective of the before-mentioned innumerable patents which alone have made this intricate process possible.

It is the technical and scientific knowledge gained only by long experience and not disclosed in any specification, but emanating therefrom, which cuts most ice; and one is not surprised that newer companies are passing through rough weather. It has taken years for your company, backed by all the prime experience and genius of the inventors and under intensive concentration and

research during the production on a commercial scale, to reach the stage of perfection, reputation, and reduced cost which Celanese enjoys to-day, the super-excellence of whose qualities and properties command a premium over all others wherever offered.

CELANESE STILL IN ITS INFANCY.

Your chairman has already stated in his previous remarks what view we take about the competition and patent position, and it was so clear that I don't want to add anything to it. In another direction, it is interesting to note that artificial silk represents not yet 2½ per cent. of the total cotton trade, and Celanese, especially, is still in its infancy. Therefore, it is your board's duty to provide well in advance for increased demand where long time is required for plant, production, and installation, and still longer time for the training of staff to the high standard of technical skill required in this industry.

At a time when the old and stable basic industries of this country are passing through depression and stagnation involving much unemployment, it must be a matter of pride to the shareholders of this company, with its increasing demand for labour, now over 14,000 employees, that this is not only an individual enterprise, but it is a great national asset contributing to the nation's employment and finance. Let us, therefore, unanimously forget the past, bind ourselves together for the future, and give to Dr. Henry and his board the confidence for which he has asked to-day; allowing us, as a board, to look after the interests of your company so that we may go forward leading and ready to meet every demand for Celanese in quality, price, and service. I beg to second.

The resolution was put to the meeting and carried unanimously.

THE DIRECTORATE.

The Chairman: I now come to the confirmation of the election of the directors who have consented to join your board. Mr Murray is very well known to you, both in Scotland and in London. He is a man who is known in all the financial circles, and I need not enlarge upon his merits. He has been, amongst others, of enormous service to our company in connection with the question of the scheme, where we had the good fortune of having his advice and getting an opinion that we were going on the right lines and that it would be approved by a large body of people. Mr Chester Beatty is also well known here and in America. He is the chairman of many companies, and his advice (in view of his past experience and, also in connection with this matter) has been of great service to the company again. Mr George Whigham is, as you know, chairman of the Celanese Corporation of America and of Canada, in which companies your company has a very substantial holding. He is, as I mentioned before, very well known in the City of London and in America, so that I need not comment any further.

Sir William Alexander, whom you have heard speak just now, is well known to you as a great industrialist and at the same time as a public man who has already occupied and is still occupying, many very prominent positions. Dr Soller and Mr Spilman have both filled up their positions in your company, based on their merits and the services which they have rendered. I need hardly point out to you what it means to be general manager of a factory employing 13,000 to 15,000 people, and to have to watch not only the production, but also the constructional work, and all the other items connected with such a huge organisation. Mr Spilman, on the other hand, is the head of your sales organisation, with all its ramifications, and you will appreciate the heavy responsibilities which he has to bear in this direction. I have much pleasure in proposing the election of these gentlemen, and I call upon Mr Alexander Clavel to second this resolution.

Mr. Alexander Clavel.—Ladies and gentlemen, I need not mention the merits of the gentlemen whose election you are asked to confirm, as the chairman has already spoken on this subject. I have much pleasure in seconding the resolution that those gentlemen be and are hereby elected.

The resolution was put to the meeting and was carried unanimously.

The Chairman.—May I ask a shareholder to propose the re-election of the auditors?

Mr Stagg.—I have much pleasure in proposing that Messrs Thomson, McLintock and Co. be re-elected auditors of the company at a fee to be arranged by the board of directors. They are well-known people, and they are a firm in whom we have every confidence.

Mr Rothwell.—I have much pleasure in seconding that.

The resolution was put to the meeting and was carried unanimously.

This ended the business of the ordinary general meeting.

EXTRAORDINARY GENERAL MEETING.

The Chairman.—Now we come to another matter which, I hope, will be disposed of much quicker because the main items have been dealt with. This is the question of the extraordinary resolutions.

I will call upon the secretary to read the notice convening the meeting.

The Secretary having read the notice convening the meeting,

The Chairman said:—You have all these resolutions before you, and, with your permission, we could consider these resolutions as read, as they are very lengthy. I beg to move these resolutions, and I call upon Sir William Alexander to second them.

Brigadier-General Sir William Alexander.—I beg to second the resolutions.

The resolutions were put to the meeting and were carried unanimously.

This ended the proceedings of the extraordinary general meeting.

MEETING OF PREFERENCE SHAREHOLDERS.

The Chairman.—Now comes the meeting of the preference shareholders. When I put the resolution to the preference shareholders, I will beg the ordinary shareholders to abstain from voting, just as afterwards it will be the reverse. May I again consider the resolutions as read? Therefore, I beg to move the resolutions again.

Brigadier-General Sir William Alexander.—I beg to second that.

The resolutions were put to the preference shareholders and were carried.

This ended the proceedings of the extraordinary general meeting for preference shareholders.

MEETING OF ORDINARY SHAREHOLDERS.

The Chairman.—Now I will take the ordinary shareholders. I beg to propose the resolutions again.

Brigadier-General Sir William Alexander.—I beg to second that.

The resolutions were put to the ordinary shareholders and were carried unanimously.

This ended the proceedings of the extraordinary general meeting of ordinary shareholders.

The Chairman.—That, gentlemen, concludes the business of the day; but I wish to conclude by not forgetting to thank you for the confidence which you have put in us by your practically unanimous vote—I say unanimous vote—and to the shareholders who have sent in their proxies, in so far as we got the biggest vote we ever had; and I can assure you again, on the strength of the explanation I gave before, that the board will do the best they can to further your interests, and they have no doubt of the enormous success which will follow.

Mr Rothwell.—I have very great pleasure in proposing that a vote of thanks be given to our chairman for presiding over this meeting.

The Chairman.—Thank you.

The proceedings then terminated.

THE DORADA RAILWAY COMPANY, LIMITED. PROSPERITY OF COLOMBIA.

The twenty-third ordinary general meeting of the Dorada Railway Company, Limited, was held, on the 18th instant, at the offices of the company, Moorgate Hall, Moorgate, London, Mr J. A. Goudge, C.B.E., chairman of the company presided.

The Chairman, in moving the adoption of the report, said they had to lay before the shareholders what, he hoped, they would consider a very favourable report. In fact it was the best year they had had in the history of the railway, and they had pleasure in recommending to the shareholders a dividend which maintained the same rate that was paid last year—that was to say, 8 per cent. net. During the year the traffic conditions were very favourable—much more favourable than last year. The Magdalena River always carried a full quantity of water and there was a great development in the carrying capacity of the new steamers on the Lower river and nearly all the steamers had the advantage of using oil fuel. The point about oil fuel was that the Tropical Oil Company, which was, he understood, an offshoot of the Standard Oil Company, had discovered a very large and productive area, some hundred miles up the Magdalena River, and they were actively engaged in developing a very important oil property.

The prosperity of Colombia continued, and it was added to in great measure by the very large amount of capital which had been advanced to that country, mainly by the United States, and which had resulted in the construction of railways and other public works, and it had been a great part of the company's traffic to transport the material for those railways and other constructions. They had also had a considerable increase in petroleum, gasoline, and fuel oil products, coming from the Tropical Oil Company. Their passenger traffic showed an important increase over last year.

As regards prospects it would seem that the current year should be a favourable one. The imports of heavy amounts of construc-

tion material still continued, and they had no reason to think that they would see an immediate termination of that traffic. In regard to their subsidiary undertaking the Ropeway, they had had a very difficult year. As would have been seen from previous reports, it became very clear to the board three years ago that the then management seriously overstrained the whole capacity of the Ropeway. The directors had had the assistance of a great many experts on the subject, and they believed that the whole programme towards putting the Ropeways on a proper footing was now well in hand.

Mr. Percy C. Quilter seconded the resolution, which was unanimously carried.

W. T. HENLEY'S TELEGRAPH WORKS COMPANY, LIMITED. CONTINUED PROSPERITY.

The forty-ninth ordinary general meeting of W. T. Henley's Telegraph Works Company, Limited, was held, on the 13th instant, at the Abercorn Rooms, Great Eastern Hotel, London, Sir George Sutton, Bart., M.I.E. (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, after remarking that the shareholders were interested in a prosperous business which year by year grew more prosperous, referred to the accounts, and said that if the recommendations of the directors were approved the general reserve would have reached half the amount of the issued share capital. The large sum of £126,416 had been expended on capital account, almost the whole of which represented the economising and increasing of production. The pension and benevolent funds—which did not appear in the balance-sheet—now totalled £262,000.

YEAR'S PROFITS.

The year's trading profit amounted to the satisfactory figure of £342,000, and the net result was that if the directors' proposals were adopted there was £532,930 to carry forward against £506,202 brought in. How had this result been arrived at? He was disposed to state as the primary cause the ability, experience, and unslackened attention which had been devoted to the business by the large staff of employees. He had in mind alike the commercial, designing and manufacturing sides. From the chiefs of this undertaking—and there were many chiefs—to the worker at the machine satisfactory service had been given. The machine-hand had to take a measure of responsibility for the maintenance of the company's reputation for products of the highest quality, but, besides that, statistics showed that the output of the factories per hour per head in the cable department had increased by nearly 10 per cent. since 1913, and in one large department the improvement of output per head during those years was as much as 14 per cent. After the war the output per head was low, but year by year it had improved. A reason for this was that the factories were fully employed; a busy factory always tended to the raising of the output per head of the people employed. Another reason was the expenditure on new machinery and improvements in organisation. It was to these circumstances that they must largely attribute the increase in turnover, both in value and quantity. The actual increase in the number of people employed at the company's Gravesend works was between 300 and 400.

The home trade gave them their largest increase, but he was able this year to say that the overseas trade had increased, not very greatly, yet by a substantial figure—about 10 per cent.—over the previous year. He excluded from the figures the two large contracts for India and Egypt, which had already been reported; these were still in course of execution, and had not been brought in for the year under review. He was very glad to report the increase in the overseas trade, which, although they had very fierce competition to meet, accounted last year for more than one-third of the total turnover.

The new year showed a satisfactory order-book—rather larger than they brought in a year ago.

HENLEY TYRE AND RUBBER COMPANY.

The report referred to the improved results obtained by the Henley Tyre and Rubber Company. The products of the factory had reached a high stage of perfection, which was reflected in the greatly increased turnover. The sales of the Henley tennis ball had doubled. The demand for Giant pneumatic tyres for passenger and goods carrying vehicles showed every sign of becoming very large, and they were paying great attention to this branch of the business. Tyres were, of course, the principal product of the factory, and the high quality of the company's tyres was shown by the fact that the works were employed to their utmost capacity.

He was optimistic as to the future. They were continuously increasing their facilities for a larger output to meet the demand, which they hoped would increase year by year. The consumption of electricity at home had doubled during the past seven years, and was likely to continue to increase.

The report was unanimously adopted.

BRITISH NORTH BORNEO (CHARTERED) COMPANY. SUCCESSFUL RESULTS—CONSIDERABLY IMPROVED POSITION. SIR NEILL MALCOLM ON POSITION AND PROSPECTS.

The ninety-first half-yearly meeting of the British North Borneo (Chartered) Company was held, on the 17th instant, at River Plate House, Finsbury circus, London.

Major-General Sir Neill Malcolm, K.C.B., D.S.O. (president of the company), who was in the chair, said, in the course of his speech: It is a great satisfaction to me to be able to meet the shareholders of this company with a statement of accounts which—for the first time since I have had the honour of being your president—shows a very satisfactory profit. Last year—that is, for 1926—you will remember that we had a loss of over £2,000. The accounts which are before us to-day show a realised profit of more than £56,000, which has been arrived at after writing down the value of our telegraph system by the substantial amount of £10,422 7s 5d and making full and proper provision for every form of depreciation.

RAPID RECOVERY.

As is stated in the report, the revaluation of our assets—which has taken three years' work—is now completed, and I am in the happy position of being able to assure you that your property and business have at last been placed upon a thoroughly sound commercial basis. For that reason it is quite unnecessary for me to deal with the accounts at length as I have done on previous occasions. They are perfectly clear and straightforward, requiring no further explanation. Had anyone suggested to me when I first became connected with the company that within two years' time we should be in the position in which we actually find ourselves to-day I am afraid that I should not have taken him very seriously.

The recovery has been much more rapid than I or any other member of the court ever thought possible. Moreover, not only are the affairs of the company on a thoroughly sound commercial basis, but they are remarkably free from the ordinary commercial risks. Your interests and your risks are quite unusually widespread. The capital which you have provided has opened up a whole new area of the world. You are directly concerned in every phase of the lives of some 300,000 people; and in one way or another 300,000 people are contributing to your revenues. In this sense we may claim to be one of the largest employers in the world, and for this reason I hope to be able to show that we can face the present very serious fall in the value of rubber with comparative equanimity.

RUBBER POSITION.

More than once in past addresses I have referred to our dependence upon rubber for our prosperity. Since the introduction of restriction we have benefited by the high price of that commodity; now that the boom days are over we cannot hope not to suffer. It is true that we draw no direct revenue from rubber, for we have as yet no export duty such as there is in Malaya, but already we are feeling the effects in our banking, our railway receipts and our customs. How great the shrinkage will be we cannot yet tell, and this very uncertainty makes it absolutely necessary for us to husband our resources and to conduct our business on the most conservative lines. I must say that I have the greatest sympathy with those shareholders who have written to me complaining that there is again no dividend for them.

One shareholder has gone so far as to ask me to express his "dismay and disappointment" at the non-payment of a dividend. I do so at his request, but I consider that in the present state of uncertainty the Court has taken the only possible course, and that any distribution of profits would be absolutely unjustifiable. The exceptionally large number of proxies which have been sent in encourage us to believe that this view is supported by a very big majority of the shareholders.

ENCOURAGING FACTORS.

Fortunately, however, there are several encouraging factors in the situation which we need not overlook. The new tariff which came into force last December is proving a great success; immigration figures continue to be good; land revenue is rising steadily. More than all, the new land terms, combined with our road-making scheme, are an unqualified success. I use those words advisedly. Last year I said that I hoped that the number of approved applications for land would exceed 1,000. We fell short of that figure simply because the survey department could not keep abreast of the work.

The figures for the last quarter of the year were, therefore, disappointing, but for the first quarter of this year they exceeded all previous records, and for the first five months the number of approved applications is 498, covering 4,270 acres, against 344, covering 3,367 acres, during the same period of 1927, when the price of rubber was almost twice what it is to-day.

IMMIGRATION.

The immigration figures are also satisfactory, being practically

equal to those for 1927, and more than five times those for the same period in 1926. It is not too much to say that under the influence of these two factors—land terms and road development—the country is undergoing a remarkable and most interesting change in character. It is no longer a land of only a few large companies, whose profits are distributed in London, but is rapidly becoming a home for Chinese peasant proprietors, working and living under British administration.

I know of no parallel to this state of affairs in any part of the world, and I have sufficient faith in the Chinese peasant—and more than all in British administration—to look with confidence to the future. The Chinese peasant will not only invest his earnings in the country, but in due course will help to provide the necessary labour for the great companies. That is, I venture to think, a most satisfactory state of affairs, and far more important to us than a temporary setback in the rubber industry.

Between December 31, 1927, and June 30th of this year the value of our holdings in rubber has fallen by £38,000, not a very large figure when you consider the total sum of our investments, over £900,000, as you may see by reference to the accounts for 1927. Against that, other investments have improved, notably our own debentures, which on June 30th stood at about 88, and the shares of the timber company, which is doing quite well. No doubt there will be some depreciation to be taken into account next year, owing to the rubber crisis, but I hope that it will not be very serious.

POSITION SUMMED UP.

To sum up, while the existing situation renders it imperative for us to act upon the most conservative lines, I consider that so long as we do so we need have no great anxiety about either our revenue or our capital account, and that, as I have already said, we can face the rubber slump with equanimity. Had it come two years ago, before the house had been put in order, most certainly this would not have been the case. I have dealt with this subject at some length, as it is by far the most important factor in our economic problem. Had it not been for the slump we should be in a very happy position to-day. I hope that I am not too optimistic when I say that even in the very middle of the slump there is no real ground for despondency.

Apart from rubber, I think I may say that the country is doing well.

Let me say just one word about that hardy annual, the income-tax dispute. I am glad to be able to tell you that our negotiations with his Majesty's Government are proceeding very smoothly, and that only a few days ago we received a letter which brings this matter a very definite stage nearer to conclusion. I cannot speak too highly of the very courteous way in which we have been met, and when two sides in a given bargain are both inspired by a wish to arrive at a fair and equitable arrangement, final settlement may be delayed, but it is almost certain to be satisfactory. That is exactly our position at the moment. I trust that at our next meeting it may be possible for me to speak of this affair in the past and not in the future tense.

Turning again to Borneo, more settled conditions in China have reacted very favourably upon the timber company, whose products are also beginning to be highly appreciated in this country. I believe that in this respect our difficulties are now safely behind us.

There are three items of information which may be of interest to shareholders. The first is that his Excellency Sir Hugh Clifford, Governor of the Straits Settlements and his Majesty's Agent for North Borneo, recently visited our territory. About 30 years ago he was for a short time our Governor. He must have seen many proofs of advance and development, and we may hope that he carried away with him a favourable impression of our prospects. The second is that the Jesselton Ice and Power Company—a small undertaking in which we hold a fair number of shares—has been able to declare a dividend for the first time since 1919.

The third is that our postal officials have been able to inaugurate a regular commercial short-wave wireless service with Hongkong since January 4th. On that day the Governor of Hongkong, Sir Cecil Clementi, sent a message to Mr Humphreys expressing the hope that the new service would "cement still closer the links between the two neighbouring Colonies." Since then preliminary tests on short waves have been carried out between Jesselton and Kuala Lumpur, in the Federated Malay States. These, we understand, have proved quite successful. This important development is entirely due to the resource and initiative of our Postmaster, Mr Newton Wade, and his assistants, Mr Dabell and Mr Fenton.

At our meeting last December I said that we were—in my opinion—almost within sight of the end of our difficulties. I venture to think that the report and accounts for 1927 fully justify that modest degree of optimism.

Captain A. G. Cowie, in seconding the motion, expressed satisfaction with the impressions he had gained during his recent visit to Borneo.

The report and accounts were adopted and proposed amendments in the deed of settlement were approved.

THE DISTILLERS COMPANY, LIMITED.

SUCCESSFUL RESULTS—CONSERVATIVE POLICY.

GROWING OVERSEAS INVESTMENTS.

The fifty-first annual general meeting of the Distillers Company, Limited, was held on the 12th inst. at Edinburgh.

Mr William H. Ross, chairman of the company, presided.

The Chairman said:—

My lord, ladies, and gentlemen, I assume that I may, as usual, take the report as read? Before dealing with the balance-sheet will you allow me very briefly to refer to the loss which the company has sustained since last we met through the death of Field-Marshal Earl Haig? As regards his loss to the nation I shall only say this. The wonderful and spontaneous outburst of sorrow displayed by the whole Empire when his death became known was a remarkable testimony to the gratitude felt for one who had served his country faithfully and well right up to his last hours. His election to our board only six short years ago was not of his seeking, but was regarded by us as a graceful compliment to one whose ancestors have been connected with the industry for three centuries, and whose father and brothers as owners of Cameron Bridge Distillery had figured so largely during the inception and early days of the company.

CONTRIBUTION TO DOUGLAS HAIG FUNDS.

Your directors have considered the best means by which they might perpetuate his memory and at the same time contribute relief to those ex-Service men to whom he owed so much, and to whose interest his latest years were devoted. They have decided that no better way can be found than by supporting the funds now being raised with the object of founding "Douglas Haig Memorial Homes" for necessitous cases amongst ex-Service men or their families. It is unfortunate that some difficulties have arisen as to the administration of this fund, and meantime it is proposed that half the sum be sent to the London trustees to be applied towards the scheme already launched for England, while the balance be retained until such time as a Scotch scheme has been definitely formulated. The whole sum has been reserved in the past year's accounts, but we await the confirmation of this meeting before proceeding further in the matter. I accordingly propose to move at a later stage that £10,000 be voted towards the objects referred to—the same to be divided as already indicated. You will, I am sure, be pleased to hear that the late Earl's nephew, Colonel John Haig, D.S.O., son of the late Hugh Veitch Haig, who was a former director of this company, has joined the board of John Haig and Co., Limited, one of our successful subsidiary companies, while the election of Mr Thos. Wilkinson, managing director of that company, to a seat on the board of the parent company will come up for confirmation at a later stage of our proceedings to-day.

BIG INCREASE IN INVESTMENTS.

Coming now to the balance-sheet, I will briefly run over the more important differences therein compared with that presented a year ago. On the credit side, properties show a reduction of £6,900, in spite of the expenditure during the year of £104,000 on new buildings and plant, which goes to prove that as works are being reconstructed on more modern lines your directors are taking care to depreciate those plants which have become obsolescent. Investments show the large increase of over £2,000,000, principally through the purchase of the ordinary shares of White Horse Distillers, Limited, and the United Yeast Company, Limited, mentioned in the report. Debtors and stocks each represent a small reduction, while the cash position records an improvement of over £300,000. The loans between this company and its associated companies still show a credit balance, although diminished by £1,600,000, which sum was utilised in assisting to finance the share transactions already referred to.

HEALTHY EXPANSION.

On the liability side, the ordinary share capital has been increased by the issue of a further 208,811 shares, principally in exchange for United Yeast Company's shares. Reserve fund has been strengthened this year by the addition of £400,000, which brings that fund up to £1,250,000, while sundry creditors are reduced by £47,000. I think you will agree that these various alterations show a healthy expansion and improvement, and when coupled with the fact that the profits before the special appropriations were made, record an increase of £165,000 over last year, the sound position of the company becomes accentuated.

PROFIT AND LOSS ACCOUNT ANALYSED.

Analysing the profit and loss account, we started with an increased "carry forward" compared with the previous year of

£10,749. The gross profits show an increase of £110,933, while there is a saving in the income-tax charge of £57,384. These three items together represent a total improvement of £179,666, while on the other hand there is an increased debit of £2,956 for managerial and other expenses, leaving a net profit to deal with of £176,110 in excess of last year. In addition to this, we had not to provide for the capital charge in connection with the amalgamation of 1925, which was spread over the three years 1925, 1926, and 1927 at the rate of £100,000 per annum, so that in reality we had a surplus to work with of over £276,000, which was further augmented by the sum of £25,000, which is not required to be added this year to the superannuation fund. This augmented surplus of £301,000 it is proposed to distribute by placing an additional £200,000 to reserve over that placed last year, by paying the same final dividend which on the increased capital takes £21,000 more, and in carrying forward to the current year £80,000 in excess of what was done a year ago. I feel sure this conservative method of finance will be reflected in the stability of the company's shares as an investment. This completes my survey of the year's accounts. I shall now deal very briefly with some of the more important items of interest in our year's work.

INIQUITOUS TAXATION CONTINUES.

Both by personal appeal to the Chancellor of the Exchequer and otherwise, a vigorous attempt was made early this year to obtain some relief from the iniquitous burden of special war taxation still being levied on the spirit trade, but without any immediate success. The fact that the Chancellor made his views known on this question well ahead of his Budget speech was no doubt responsible for the natural flow of business being continued, and thereby for bringing into the Exchequer a slightly higher yield from the spirit duty than was produced in the previous year. While your directors continue of the same opinion—that the distilling trade has been singled out for higher taxation than is just or reasonable—they are more convinced than ever that the best way of combating this high taxation is by supplying all our products of whatever nature of the very highest standard of quality. This policy has again proved successful in all branches of our distributing trade during the past year, and I am safe in saying that the standard of quality generally, both for home trade and export, is higher to-day than it has ever been. The public are quick to appreciate these facts, and while everyone must rejoice to learn of the increasing sobriety of our country, some credit should be given to the quality of spirits now generally being supplied as one of the contributing causes.

NO PROHIBITIONIST TENDENCY.

There is certainly no tendency in these isles to follow the example of America in adopting prohibition as a cure for insobriety. The Scottish Temperance Act has now been in operation for eight years, and while the country and the trade are put to the expense of contesting elections every year, the temperance enthusiasts have succeeded so far in reducing the number of licences only by less than 4 per cent. This is less than half the number the trade themselves were prepared to extinguish by means of a well-regulated scheme whereby redundant houses in over-licensed areas would disappear and the dispossessed licence-holders would be compensated by those who remained.

YEAST TRADE DEVELOPMENTS.

Our yeast trade, despite the increased foreign competition, continues fairly satisfactory. As mentioned in the report, your directors have now acquired the whole of the ordinary shares of the United Yeast Company, Limited, a company in which we formerly held only 50 per cent. of the ordinary share capital. This company, which acts as selling agents throughout the whole of England and part of Ireland for our yeast production, carries on a sundries trade covering a wide variety of articles used by bakers, and is capable of still greater development.

SATISFACTORY CANADIAN DEVELOPMENTS.

Regarding our overseas investments, none of these has so far reached the stage when it has contributed to our dividend fund. They are, however, progressing satisfactorily. In the case of the Canadian investment, the end of this month will see the termination of the first complete year's operations, and as president of the Canadian companies I intend, along with one of my colleagues, to visit Canada next month or early September to attend the first annual meetings, when I hope satisfactory balance-sheets will be laid before the shareholders. In the course of the year we were

approached by one of the oldest distilling companies in Canada—Joseph E. Seagrams, Limited—to be allowed to merge their interests with ours, and a favourable basis of amalgamation was arranged, which, I hope, will turn out to our mutual advantage.

AUSTRALIAN INTERESTS.

As regards our Australian interests, matters are not quite so far advanced. The distillery at Geelong, Victoria, is still building, but is expected to be in operation early next year. So far as the Queensland Distillery is concerned, some difficulties were at first met with in connection with the distribution of the motor fuel. That difficulty, however, according to latest advices, has been removed by an arrangement entered into with one of the largest oil companies, which will take over the distribution, as well as find an outlet for our total production.

CO-OPERATION THE KEYNOTE TO SUCCESS.

You will have observed on the back of the annual report there is given for the first time a list of the principal associated and subsidiary companies the ordinary shares in which are wholly or principally owned by this company. Large as this list is, it by no means covers the whole ground, but it will give you some idea of the company's ramifications. The keynote of successful industry to-day is amalgamation or co-operation of allied industries. The country is now only waking up to this fact, which has been the governing policy of this company for the past half-century. The advantages to be derived from fusion of industries or, where that is not possible, from co-operation with other businesses of a like nature cannot be denied.

THE VALUE OF RESEARCH.

These advantages cover in particular the pooling of research work and the development of new industries along the most approved lines. This company has now a very fine research station, but its possibilities are necessarily limited unless combined with the expert activities of other companies both here and abroad. Many contacts of this nature have already been formed and others are in contemplation, the result of which I hope will be the broadening of our basis of operations, and the strengthening of our position as an industrial company.

APPRECIATION OF STAFF SERVICES.

Before closing I wish to express in your name, as well as on behalf of the board, our warm appreciation of the loyal manner in which we have been served by our whole staff during the past year, without whose support we could not have shown the excellent results now placed before you.

I now have pleasure in moving the adoption of the report, which recommends:—

- | | | | |
|--|-----------|----|----|
| 1. The payment of a final dividend of 3 per cent., less tax (making 6 per cent. per annum), on the preference shares | £ | s | d |
| 52,800 | 0 | 0 | |
| 2. The payment of a final dividend or interest of 12½ per cent., less tax (making 20 per cent. per annum, less tax), on 10,570,962 ordinary shares | 1,057,096 | 4 | 0 |
| 3. The carrying forward to next year of | 212,532 | 10 | 11 |

FINANCIAL CONSERVATISM.

Sir Alexander Walker: My lord, ladies and gentlemen,—I have pleasure in seconding the adoption of the report. There is one factor I might elaborate—or, rather, two factors—namely, the conservatism of our financial distribution and the activities of the company in other directions even than those which are mentioned, and in connection with research and the development of articles which are ancillary to our main production.

I think that anyone with experience will say that if it is a choice between brilliancy of administration and conservatism in finance he would take the latter. If we can get a combination of the two, then I think the company will be satisfied. I do not think we can attribute prescience to ourselves, but we can say we are conservative in our financial arrangements.

NEW PRODUCTS.

We are proceeding just now to establish a very large number of first-class chemists in our research laboratory, and with them we are in association with such laboratories in other parts both of Europe and America. With the exchange of information, we think that with regard to possible developments of articles of produce, not directly or indirectly, from alcohol we may consolidate this concern and ensure that, even in the event of notable alcohol not being saleable to the extent which it has been in the past, these developments would provide a sufficient source of income from a completely new direction.

Questions were invited, but none being forthcoming, the Chairman declared the motion carried.

TELEPHONE MANUFACTURING COMPANY, LIMITED.

INCREASED PROFITS.

The seventh annual meeting of the Telephone Manufacturing Company, Limited, was held, on the 19th instant, at the Cannon street Hotel, London.

Mr Fred T. Jackson (chairman and managing director), in dealing with the combined accounts of the British Subsidiary Companies, said that they had shown good progress during the year under review, and that the business done in the first six months of the year 1928 was considerably in excess of the business done in the first six months last year. The gross profit for the year 1927 had increased from £70,029 to £77,563, and the disposable balance of net profit, after allowing for all charges, including income-tax, was £41,473, as compared with £33,028 at December, 1926.

In referring to the activities of subsidiary companies situated abroad, he stated that their subsidiary in Australia had had quite a successful year, having made a profit of £10,929 before charging income-tax and local managers' commission, but the only portion of the profits made appearing in the accounts of the parent company was the sum of £1,800, being dividend on preference shares, the balance being left in the company in order to strengthen the position.

The directors anticipated that eventually the earning capacity of the business would be of very great advantage to the parent company, and in addition they acted as a very useful link between themselves and the Australian Post Office for the supply of telephone apparatus.

With regard to the Continental businesses, the reorganisation of the capital of the companies in Paris and Brussels had been taken in hand, as the French franc and Belgian belga were now stabilised. This capital reorganisation would not in any way affect the accounts of the parent company, as a reserve from past profits had already been built up. Business in both these countries was proceeding favourably, and the business already done in Paris during the first five months of this year was equal to the whole of the business done during last year.

In dealing with the accounts of the parent company, he stated that the profits for the year amounted to £35,234, after allowing for all charges, which compared with £5,426 for the previous year. It was proposed that £12,000 of this net profit be appropriated for writing down new issue expenses, reducing these to £50,000.

CURRENT YEAR'S PROSPECTS.

During the last six months of the year under review new business had been very scarce, but since April, 1928, a marked improvement had set in. The business secured during the first six months of 1928 showed a very great increase over orders secured during the first six months of 1927. In addition to having secured a fuller order book, the number of inquiries being received were most encouraging, and indicated that the reputation established for high quality apparatus was having its effect. Although this might appear very encouraging to shareholders, he felt he must sound a note of warning, as prices were exceedingly keen, and, as he had said at the last annual meeting, the extent to which prices were being cut was not altogether explained by ordinary competition. In spite of very keen prices, however, the company was able to gain a little consolation in the fact that they were able to manufacture most articles at a lower cost than their competitors. The exceedingly cut prices which had been in existence over the past two or three years had operated in the way that "Necessity is the Mother of Invention," and by continual striving and of very necessity they had been able to get costs down to a very low figure. This would be of great assistance to the company when this senseless competition ceased. He was glad to be able to say that the reduction in prices had been made while still using raw material of British or Imperial origin.

CHAIRMAN ON DIVIDEND PROSPECTS.

The Chairman then went on to say that no doubt the shareholders expected him to give them some indication as to the possibility of dividends, and that he was quite willing to give them his personal views on this—to shareholders—very important matter. He said that there were two classes of investors in ordinary shares—the investor who invested for annual return on his money, and the investor who invested for capital appreciation. He was particularly anxious to build up the business to a position of great financial strength, and at the present time was against the distribution of a substantial portion of the profits in the shape of dividends. This policy was really one of safeguarding shareholders' capital, and the continuance of progress would result in capital appreciation, even if the returns were comparatively small for some time to come.

The report and accounts were unanimously adopted.

UNITED DOMINIONS TRUST, LIMITED.

ANOTHER SUCCESSFUL YEAR'S OPERATIONS.

The annual general meeting of United Dominions Trust, Limited, was held, on the 18th instant, at the registered offices of the company at King's House, King street, London, E.C. Sir Edward M. Mountain, Bart., J.P., the chairman, presided.

The Secretary (Mr P. Macleod Gray, C.A.) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said that he had pleasure in congratulating the shareholders on the position of the company, which again had a record year. During the financial year just closed the company had made substantial and noteworthy progress, the volume of business handled showing the material increase of 21.7 per cent. over the preceding year.

On the liabilities side of the balance-sheet they would see that the paid-up capital had been increased during the year to £250,000. There was due to banks £1,138,074, as compared with £949,294 last year; this indicated the considerable expansion of the business. Current, deposit and other accounts were £286,434, compared with £274,994. Rebate of interest which represents deferred income was £50,291, compared with £37,551. During the year the amount at the credit of trust reserve had been transferred to general reserve, and a further sum had been set aside, increasing the general reserve to £125,000, being equal to 50 per cent. of the paid-up capital.

PROFITS FOR THE YEAR.

On the assets side of the balance-sheet they would see that cash at banks and in hand amounted to £163,607, and that the directors had invested £50,000 in British Government securities. Bills and notes receivable on hand and with bankers amounted to £1,638,111, compared with £1,319,553. The total assets had been increased to £1,867,309 from £1,506,995. The profits for the year, after charging rebate of interest, income-tax, bad debts, reserve and contingencies, were £56,354 9s 7d, compared with £49,226 5s 2d last year, making, with the £4,927 7s 7d brought forward, a total of £61,281 17s 2d.

The directors had applied to general reserve (increasing it to £125,000) £43,772 5s 2d.

The directors propose the payment of a dividend at the rate of 7½ per cent. per annum, less income-tax, on the paid-up capital calculated from the various dates upon which the calls were paid, absorbing £10,976 17s 2d—£54,749 2s 4d; leaving to be carried forward £6,532 14s 10d.

The company continued to provide banking facilities to the engineering, motor and allied trades, and experience showed that there was an increasing demand for the highly specialised banking services which the company rendered. Many new accounts had been opened, and all new business had been subject to careful scrutiny as in the past; consequently he (the chairman) was again able to report that collections were excellent. The bad and doubtful debts for the year amounted to .053 per cent. on the volume of business transacted—that is, 1s 1d per £100, which was a record—all of which had been written off. They had the largest business of any bank doing that class of business in this country. The company's assets were exceedingly liquid in form.

In conclusion, the Chairman paid a high tribute to the very efficient manner in which the company's affairs had been managed; he congratulated the shareholders on having as their managing director Mr J. Gibson Jarvie, who had built the company up from its inception.

The Chairman then moved the adoption of the report and accounts and the payment of a dividend of 7½ per cent. per annum, less income-tax, on the paid-up capital, to be calculated from the various dates upon which the calls were paid.

Mr L. W. Hawkins seconded the resolution, which was carried unanimously.

TRANSVAAL GOLD MINING ESTATES, LIMITED.

Presiding at a general meeting of members of the Transvaal Gold Mining Estates, Limited, whose registered address is elsewhere than in South Africa, held on the 18th instant, Mr M. T. Brown, a London member of the board, said that the net profit for the year amounted to £56,645, and an examination of the working expenditure and revenue account shows that this was derived from three sources, namely: Mining operations, £34,064; wattle plantations, £15,898; interest and sundry revenue, £8,901; making a total of £58,863. The difference between this total and the amount I first mentioned is accounted for by the deduction of directors' and auditors' fees. This profit is £6,579 less than for the previous year; the decrease arose on mining account, the other two sources being just about the same as before. At the Central Mines there was a drop of £4,717 in the profit and at Elandsdrift a drop of £7,490; while at

Vaalhoek there was a small profit of £337 against a loss in the previous year of £4,452.

Under this heading of Elandsdrift are included the old Elandsdrift mine and the Horse Shoe Creek mine. Here we are faced with a considerable drop in profit, of over £7,000. Generally speaking, the causes for this were the flooding of the old mine, and the failure of the new Horse Shoe Creek mine to supply ore of the value that had been expected of it. The tonnage milled shows an increase of over 4,000 tons, and a decrease of 4s 10d per ton in costs to some extent compensated for the reduction in yield per ton. The ore reserves are calculated at 87,000 tons, a drop of over 38,000 tons, with a decrease in value of 1.12 dwts. This is due to development not exposing payable ore to replace the ore mined from the reserves, and to a revision of the calculation of the Horse Shoe Creek reserves. The old Elandsdrift mine has now been drained by a long adit from an adjoining farm and development in that area will be resumed. With regard to Horse Shoe Creek mine, I am pleased to be able to communicate to you some better news, which has been received by telegram for communication to this meeting. The manager now estimates that the Horse Shoe Creek reserves contain 20,000 tons of ore of good grade. Development has been resumed, and there are prospects of adding further payable tonnage to these reserves. At Vaalhoek it must be explained that the small profit of £337 (against a loss of £4,452 the previous year) was attained by the suspension of development which in the previous year cost 4s 9d per ton; whereas this year only 2d per ton was charged under that head. The reason for suspending development at this mine was fully dealt with last year. Afforestation continued to receive the close attention of the staff, and, as already indicated, the net profit derived from the sale of wattle bark and timber during the year amounted to the substantial sum of £15,898. The plantations form a very valuable and improving asset of the company, and stand at a very moderate valuation in the balance-sheet.

CHARTERLAND AND GENERAL EXPLORATION AND FINANCE COMPANY, LIMITED.

STRONG POSITION—DISTRIBUTION OF 30 PER CENT.

The ordinary general meeting of the Charterland and General Exploration and Finance Company, Limited, was held, on the 16th instant, at the Cannon street Hotel, London, Mr J. E. H. Lomas (one of the joint managing directors) presiding.

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—You will, no doubt, share in the regret of the directors at the absence of Sir Edmund Davis, who is attending the funeral of a relative. Sir Edmund was particularly anxious to preside at this meeting for reasons that will be obvious to you when I read the speech he has prepared, extracts of which are as follows:—

During the year under review we have made a balance profit of £126,566—comparing with £86,957 for the previous year's operations. We now propose the payment of a final dividend of 3 per cent. on the preference and 7½ per cent., with a cash bonus of 15 per cent., on the ordinary shares, all less tax (which will make the total dividends and bonus on the ordinary shares 30 per cent. for the year), and a carry-forward (subject to the directors' percentage of profits) of £58,521, an increase of £37,992 over the amount brought into the balance-sheet from the previous year's accounts.

In comparing the list of investments set out in our present report with those mentioned in the previous one, I need only refer to

155 Branches
in Finland

CAPITAL AND RESERVES:
Fmk.403,000,000.—
TOTAL ASSETS (30/6/28):
Fmk.2,896,902,000.—

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

HEAD OFFICE: HELSINKI
(HELSINGFORS), FINLAND

Established 1889.

GOVERNMENT RETURNS, &c.

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.				
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.	Balance at Bank of England.
1924.							
Mar. 26.....	281,538	11,908	7,000	27,000	22,450	17.6	236,867
June 25.....	230,316	12,472	7,000	27,000	22,450	17.0	246,198
Sept. 24.....	285,592	12,227	7,000	27,000	22,450	17.3	241,185
Dec. 31.....	296,261	12,812	7,000	27,000	26,950	18.2	248,111
1925.							
Mar. 31.....	284,256	11,882	7,000	27,000	26,950	18.9	235,076
June 24.....	292,278	12,265	7,000	..	53,950	18.5	243,474
Sept. 30.....	293,004	12,555	7,000	..	56,250	19.1	242,188
Dec. 30.....	296,777	12,561	7,000	..	56,250	18.9	245,836
1926.							
Mar. 31.....	295,337	12,226	6,550	..	56,250	19.0	244,585
June 30.....	294,036	12,567	6,550	..	56,250	19.1	243,667
Sept. 29.....	287,858	12,255	6,300	..	56,250	19.5	237,467
Dec. 29.....	296,461	12,457	6,300	..	56,250	18.9	246,248
1927.							
Mar. 30.....	288,067	11,882	5,650	..	56,250	19.5	237,913
June 29.....	298,260	12,812	5,650	..	56,250	18.8	249,067
Sept. 28.....	294,798	12,752	5,650	..	56,250	19.0	245,424
Dec. 28.....	299,791	12,904	5,650	..	56,250	18.8	250,662
1928.							
Mar. 28.....	289,508	12,515	5,500	..	56,250	19.4	240,241
June 27.....	296,030	12,404	5,400	..	56,250	19.0	246,606
July 11.....	296,927	12,528	5,400	..	56,250	19.0	247,641
July 18.....	297,088	12,414	5,400	..	56,250	18.9	247,706

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,194,900, for 1925 at £248,145,400, for 1926 at £247,902,500, for 1927 at £246,011,000, and for 1928, at £244,935,100.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Total Receipts into the Exchequer from April 1, 1928, to July 14, 1928.	Week Ended July 14, 1928.	Week Ended July 16, 1927.
Balances in Exchequer on 1st April:—			
Bank of England ..	5,918,513	6,003,023	..
Bank of Ireland ..	404,112	456,633	..
	6,322,625	6,459,656	..
ORDINARY REVENUE.			
Inland Revenue—			
Property and Income Tax ..	27,938,000	35,820,000	3,308,000
Super-Tax ..	8,850,000	11,390,000	330,000
Estate, &c., Duties ..	21,020,000	19,060,000	1,080,000
Stamps ..	6,600,000	5,190,000	590,000
Excess Profits Duties, &c.	..	..	..
Corporation Profits Tax ..	210,000	630,000	..
Land Tax, House Duty and Mineral Rights Duty ..	130,000	100,000	..
Total Inland Revenue ..	4,748,030	72,190,000	5,308,000
Customs and Excise—			
Customs ..	31,169,000	31,002,000	1,961,000
Excise ..	34,310,000	35,785,000	1,620,000
Total Customs & Excise ..	65,479,000	66,787,000	3,581,000
Motor Vehicle Duties (Exchequer Share) ..	1,631,419	..	Dr. 209,537
Post Office (Net Receipts) ..	1,750,000	1,250,000	Dr. 100,000
Crown Lands ..	230,000	270,000	..
Receipts from Sundry Loans ..	8,167,863	6,750,791	282,359
Miscellaneous: Ordinary Receipts ..	5,122,048	2,777,939	663,378
Miscellaneous: Special Receipts ..	5,728,920	8,797,224	..
Total Ordinary Revenue ..	149,225,831	160,454,373	9,734,737
SELF-BALANCING REVENUE.			
Post Office ..	15,600,000	15,550,000	1,100,000
Motor Vehicle Duties apportioned to Road Fund ..	5,413,000	3,343,581	857,000
Total Self-Balancing Revenue ..	21,013,000	18,893,581	1,957,000
OTHER RECEIPTS.			
Temporary Advances Repaid—			
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	..	..	..
Under the Unemployment Insurance Acts, 1921 ..	514,432	4,068,000	..
Money Raised by Creation of Debt—			
(a) For Capital Expenditure Issues: Under the Telegraph (Money) Act, 1925 ..	2,550,000	2,500,000	..
(b) Under the Unemployment Insurance Acts, 1921 ..	1,720,000	960,000	80,000
(c) For other issues: By Treasury Bills ..	674,556,000	704,145,000	47,312,000
By 4% Consolidated Loan ..	11,800,000	41,316,756	..
By National Savings Certificates ..	10,100,000	..	750,000
By National War Bonds ..	10	..	..
By 5% Treasury Bonds, 1933-35 ..	58,235,113	..	..
(d) Ways and Means Advances ..	217,250,000	200,930,000	1,900,000
Repayment of Advances under Land Settlement (Facilities) Acts, 1919 and 1921 ..	43,695	43,536	..
Total ..	£ 1,143,330,706	1,147,870,902	61,733,737

some of the alterations which have taken place. In addition to the sale of our interest in the Oceana Consolidated, we disposed of others at a profit and reinvested in the following, amongst others:—Anglo-French Banking Corporation, Limited, ordinary shares; Atlas Light and Power Company, Limited, 7 per cent. preference shares; Consolidated Water Works of Rosario, Limited, new ordinary shares; La Plata Electric Tramways Company, Limited, cumulative preference shares; Latin-American Investment Trust, Limited; Loangwa Concessions (Northern Rhodesia), Limited; River Plate Electricity Company, Limited, ordinary stock; and San Paulo (Brazilian) Railway Company, Limited, ordinary stock. We have also acquired an interest in the "B" shares of the Swedish Match Company and the common shares of the Union Carbide and Carbon Corporation.

Coming back to the investments, which stood in our balance-sheet at £518,856 on May 31st last, they and the rest of the assets, less creditors, after allowing for the preference shares issued, were worth at closing prices on the 13th instant, including amounts received since the date of the balance-sheet for any investments which may have been realised, £905,890, or 17s 5.04d per 5s ordinary share.

The resolution was carried unanimously.

ARGENTINE NAVIGATION COMPANY, LIMITED.

PREFERENCE ARREARS EXTINGUISHED.

The nineteenth ordinary general meeting of the Argentine Navigation Company (Nicolás Mihanovich), Limited, was held, on the 17th instant, at Winchester House, Old Broad street, London, the Lord Kylsant, G.C.M.G. (the chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said: Since the war this company has passed through a difficult period, due, in large measure, to prolonged strikes in the River Plate, one of which, as is well known, paralysed our operations for over a year.

After exhausting the whole of our reserves, we were faced with a debit balance of over £660,000, but when the industrial situation became more normal the company was again able to earn a reasonable profit, and we have extinguished the accumulated debit balance.

As regards the year 1927, we have, out of the profits of that year, after providing for depreciation, paid no less than 39 per cent. on the preference shares, thus extinguishing all the arrears of preference dividend.

In addition, we have begun rebuilding our reserves by placing £100,000 to reserve account, which I know will be considered sound policy, and we now propose to pay 6 per cent. on the preference shares for the twelve months ended December 31, 1927, so that the total dividend payment made to preference shareholders during last year and this year will amount to no less than 45 per cent.

From its nature, the shipping business is liable to fluctuations, and I have always made it a practice to refrain from forecasting what the future may bring forth, but I hope that, as a result of the current year's trading, we may be able, when we meet you next year, to recommend the resumption of dividends on the ordinary shares.

The insurance fund stands at slightly over £283,000.

In the twelve months under review the number of our vessels increased from 258 to 273, and the gross register tonnage from 87,582 to 92,307.

During 1927 there was a slight expansion in the volume of passenger traffic. There was also an increase in the amount of cargo carried, the fruit business, in particular, showing a welcome improvement.

Mr John C. Gibson, C.B.E. (deputy-chairman), seconded the motion, which was carried unanimously.

Impeccable taste demands

DE RESZKE

The Aristocrat of Cigarettes

American - 25 for 1/10
American De Luxe - 25 for 2/-
De Reszke Virginia - 20 for 1/-

Tenor (Turkish) - 25 for 3/2
Egyptian Blend - 20 for 2/-
De Reszke Turki - 20 for 1/-

J. MILLHOFF & CO. LTD., 86, PICCADILLY, W.1

	July 7, 1928.	June 30, 1928.	June 23, 1928.	June 15, 1928.	July 7, 1927.
Assets.					
Gold and silver holdings.....	1,118,677	1,118,530	1,118,454	1,118,623	1,054,055
Balance abroad and foreign currency.....	1,894,473	1,890,173	1,767,885	1,741,596	1,763,059
Discounts and advances.....	458,458	515,661	361,540	314,475	160,162
State notes debt balance.....	4,767,440	4,774,615	4,782,841	4,316,149	4,687,573
Other assets.....	536,386	533,816	414,300	902,499	339,325
LIABILITIES.					
Bank notes in circulation.....	7,275,623	7,583,612	6,622,067	6,674,737	6,914,916
Check account balances.....	783,611	537,354	1,094,345	911,077	1,008,401
Other liabilities.....	326,744	323,403	341,678	314,903	267,782

(000's omitted.)

Average Weekly Balances. JUNE, 1928.	Barclays Bank, Limited.	Coutts and Co.	Glyn, Mills and Co.	Lloyds Bank, Limited.	Martins Bank, Limited.	Midland Bank, Limited.	National Bank, Limited.	National Provincial Bank, Limited.	West- minster Bank, Limited.	Willi'ms Deanon's Bank, Limited.	Aggregate.
ASSETS.	£	£	£	£	£	£	£	£	£	£	£
Coin, bank and currency notes, and balances with the Bank of England ..	35,532	1,606	2,830	39,129	8,356	45,821	3,882	29,035	28,143	3,465	197,799
Balances with and cheques in course of collection on other banks in the United Kingdom	9,904	713	1,505	9,499	2,573	16,973	133	11,207	8,856	1,318	62,681
Items in transit				2,864							2,864
Money at call and short notice	24,839	2,309	4,057	28,444	9,109	28,363	5,078	19,885	31,483	2,978	156,545
Bills discounted	40,517	1,124	856	45,116	3,458	55,857	2,324	35,769	49,897	1,743	236,661
Investments	51,551	4,239	8,137	38,237	20,233	29,523	15,341	34,773	39,326	5,339	246,699
Advances to customers and other accounts	168,170	9,396	11,571	191,445	41,204	215,328	15,523	148,064	127,947	18,600	947,248
Liabilities of customers for acceptances, endorsements, &c.	16,193	320	2,086	45,304	6,937	46,879	87	15,361	16,367	1,335	150,869
Bank premises account	5,405	372	695	6,786	2,099	7,997	788	5,650	4,499	974	35,265
Investments in affiliated banks	5,626	..	..	6,214	..	6,666	..	2,754	2,993	..	24,252
	357,737	20,079	31,737	413,038	93,969	453,407	43,156	302,498	309,510	35,752	2,060,883
Ratio of cash to current, deposit, and other accounts	11.26	9.04	10.15	11.44	10.52	12.05	10.44	10.82	10.25	11.10	11.15
LIABILITIES.											
Capital paid up	15,858	1,000	1,060	15,810	4,160	13,286	1,500	9,480	9,320	1,875	73,349
Reserve fund	10,250	1,000	530	10,000	3,458	13,286	1,410	9,479	9,320	1,350	60,083
Current, deposit, and other accounts	315,436	17,759	27,866	341,919	79,414	379,956	37,180	268,178	274,490	31,192	1,773,390
Acceptances, endorsements, &c.	16,193	320	2,086	45,304	6,937	46,879	87	15,361	16,367	1,335	150,869
Notes in circulation	..	..	..	5	..	..	2,979	..	13	..	2,997
Reduction of bank premises account	..	..	195	..	..	..	..	..	..	..	195
	357,737	20,079	31,737	413,038	93,969	453,407	43,156	302,498	309,510	35,752	2,060,883

ASSETS.		1928.	1928.	1928.	1927.
Gold		230,353	230,453	230,605	230,729
Government securities—Swedish		11,012	11,012	11,018	11,018
Foreign		58,600	60,584	60,584	60,584
Other Swedish bonds quoted on foreign bourses		804	804	956	956
Bills payable in Sweden		255,808	288,608	292,623	282,387
" " abroad		16,740	16,775	13,171	13,201
Balance abroad		58,426	56,674	50,532	33,342
Advances made on government securities and bonds		45,916	55,162	77,241	65,245
LIABILITIES.					
Notes in circulation		479,066	493,480	539,427	475,865
Government deposits		155,368	171,312	186,820	181,596
Private deposits		24,793	22,563	4,255	4,852

† The sum of the items "Bills payable in Sweden" and "Advances made on Government Securities and Bonds" excludes advances and cash credits which are not available as cover for the note issue.

	July 8, 1928.	June 30, 1928.	June 22, 1928.	June 15, 1928.	July 8, 1927.
Assets.					
Gold	90,272	30,066	90,267	90,110	87,760
Other coin and notes	18,046	18,046	18,501	18,241	17,822
Foreign credits	250,279	253,726	252,175	250,556	338,141
Bills	3,564,926	1,236,615	1,238,417	1,235,077	1,038,148
Govt. advances	4,323,070	4,323,448	4,323,061	4,323,452	4,388,778
LIABILITIES.					
Notes in circulation	5,343,497	5,343,449	5,122,797	5,213,631	5,362,222
State credits	294,050	292,028	294,041	294,032	319,759
Deposits	958,621	874,335	1,090,399	951,895	1,754,788

ASSETS.	July 7,	June 30,	June 23,	June 15,	June 1,
	1928.	1928.	1928.	1928.	1927.
Metal reserve—					
Gold coin and bullion	196,539	196,539	196,540	196,539	193,000
Drafts and notes	72,810	83,477	70,440	78,255	64,900
Silver coin and bullion	827	825	815	817	817
Inland bills, warrants and securities	294,668	314,055	291,287	287,100	237,900
Advances to the Treasury	104,453	104,535	105,832	105,832	114,900
LIABILITIES.					
Bhare capital gold crowns 20,000,000*	34,756	34,756	34,756	34,756	34,756
Notes in circulation	432,747	478,500	399,386	405,039	405,800
Current accounts, deposits, &c.	295,759	241,469	287,543	292,564	263,300

*Calculated at pre-war parity of exchange

	June 30, 1928.	June 23, 1928.	June 15, 1928.	June 7, 1928.	June 3, 1927.
ASSETS.					
Gold and silver - oldings	1,669,542	1,468,279	1,466,831	1,466,016	1,401,355
Balances abroad and foreign currencies	388,048	1,807,564	1,818,208	312,493	277,707
Discounts and advances	1,453,392	1,425,354	1,396,414	1,386,890	1,366,005
Advances to the Treasury	4,512,216	4,470,613	4,470,613	4,470,613	4,562,090
LIABILITIES.					
Capital paid in	516,422	516,422	516,422	516,422	475,847
Reserves	1,128,513	1,128,264	1,128,451	1,128,451	1,075,212
Bank notes in circulation	3,865,335	3,876,305	3,866,123	3,843,028	3,734,819
Short liabilities	1,091,554	1,118,516	1,043,890	1,042,510	1,047,005
Deposits	1,327,073	1,253,765	1,266,594	1,262,418	1,612,312

	July 7, 1928.	June 30, 1928.	June 24, 1928.	July 8, 1927.	Position May 30, 1927.
ASSETS.					
Gold	310,333	310,603	310,889	322,825	35,600
Balance abroad and foreign bills	767,896	757,893	784,730	904,533	90,300
Finland and Foreign Govern- ment securities	337,806	337,806	337,806	377,834	21,800
Discounts and loans	1,215,157	1,186,223	1,182,109	778,785	165,100
LIABILITIES.					
Notes in circulation	1,571,655	1,585,416	1,554,133	1,383,115	123,300
Deposits at notice	137,307	82,803	155,075	200,642	21,700

	July 15, 1928.	June 30, 1928.	June 15, 1928.	May 31, 1928.	July 16, 1927.
ASSETS.					
Gold in coin and bullion.....	16,544	15,545	16,502	15,513	17,748
Platinum.....	3,950	3,969	3,477	2,871	1,727
Foreign bank notes.....	7,010	7,010	6,521	6,747	7,544
Drafts in sterling (less 10 %).....	270	267	257	257	266
Bills (less 10 % discount).....	\$1,952	77,351	76,956	72,323	68,609
Securities covering advances on goods (less 10 %).....	274	274	274	274	85
LIABILITIES.					
Bank notes.....	109,086	104,606	103,279	97,373	94,514
Balance to which notes may still be issued.....	914	394	721	627	1,486

	July 11, 1923.	July 4, 1923.	June 27, 1923.	June 20, 1923.	June 13, 1923.	July 12, 1927.
ASSETS.						
Gold bullion and coins	23,729	23,726	23,723	23,722	23,719	23,635
Silver coin	4,342	4,302	4,405	4,396	4,356	3,794
Balance abroad	78,215	78,431	78,356	78,983	78,319	30,904
Treas. notes & sm. change	11,399	10,427	11,170	12,218	12,529	10,837
Short term bill	82,228	82,904	82,355	81,893	81,513	69,427
Loans against securities	42,137	42,252	42,425	42,485	42,086	56,140
Other assets	9,654	10,384	9,433	10,867	10,878	9,416
LIABILITIES.						
Notes in circulation	40,988	41,765	41,500	40,321	39,278	26,954
Capital paid up	15,881	15,881	15,581	15,581	15,581	14,383
Reserve	3,091	3,091	3,091	3,091	3,091	2,612
Special reserve	2,500	2,500	2,500	2,500	2,500	2,500
Government accounts	12,026	11,943	11,859	11,844	11,802	12,553
Current accounts	53,830	53,498	53,663	54,114	52,911	38,681
Government accounts	116,751	117,444	116,823	118,999	121,083	96,008
Other liabilities	6,946	6,606	6,627	8,034	7,155	10,461

BANK OF DANGZIG.—In Dangzig guilders (100 = 1 dollar).							
	July 14, 1928.	June 30, 1928.	June 15, 1928.	May 31, 1928.	May 15, 1928.	Apr. 30, 1928.	July 1, 1927.
ASSETS.							
Coin and bullion	2,744	2,510	3,031	2,707	2,895	2,474	2,813
Of which gold coin	5	5	5	5	5	5	1
Dangzig subsidiary coin	2,739	2,505	2,999	2,702	2,830	2,473	2,822
Bal., Bk. of Eng., inc. notes	15,668	15,663	11,831	15,118	11,770	14,078	20,511
Bills of exchange	19,964	20,870	20,891	21,699	21,979	20,097	25,376
Loans		675	57	508	49	49	14
Foreign exchange	27,936	25,660	25,768	25,794	26,255	25,951	11,995
Other bals. on demand	1,056	876	1,535	859	1,139	2,306	4,224
Securities	3,448	3,448	3,448	3,448	3,448	3,476	
LIABILITIES.							
Capital paid up	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Notes in circulation	33,723	37,352	32,249	35,709	31,737	35,404	33,111
Deposits on demand	5,042	3,459	3,185	3,787	4,061	3,275	8,013

	June 16, 1928.	June 9, 1928.	June 2, 1928.	May 25, 1927.	June 18, 1927.	Position June 30, 1927.
ASSETS.						
Cash and bullion...	988,972	1,137,599	1,135,691	1,134,802	1,129,916	221.3
Discounts	988,972	970,737	1,000,837	1,002,750	851,183	41.7
Advances	73,556	73,500	78,963	71,935	93,916	70.9
LIABILITIES.						
Notes	1,258,702	1,204,031	1,263,977	1,206,807	1,313,207	362.2
Govt. deposits	685,646	685,954	643,369	660,063	814,624	87.5
Other deposits...	437,341	444,234	443,675	456,149	281,628	11.3

According to advices received in London, the following are the Moscow quotations for tchervonetz :—

£1,000 sterling equals	945.89-947.73	tchervontzi.
\$1,000	194	"

1 tchervonetz = 10 gold roubles. £1 sterling = 946 gold roubles.

	July 12, 1928.	July 13, 1928	July 14, 1928.	July 16, 1928.	July 17, 1928.	July 18, 1928.	July 19, 1928.
Bank rate (changed from 5% April 21, 1927)	4%	4%	4%	4%	4%	4%	4%
Market rates of discount—							
60 days' bankers' drafts	$\frac{3}{16}$ to $\frac{1}{2}$	4	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$ to $\frac{3}{4}$
3 months' do	$\frac{3}{16}$ to $\frac{1}{2}$	4 $\frac{1}{2}$ to $\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$ to $\frac{3}{4}$
4 months' do	$\frac{3}{16}$ to $\frac{1}{2}$	4 $\frac{1}{2}$ to $\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$ to $\frac{3}{4}$
5 months' do	$\frac{3}{16}$ to $\frac{1}{2}$	4 $\frac{1}{2}$ to $\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$ to $\frac{3}{4}$
Discount (Treasury Bills)—							
2 months	$\frac{3}{16}$ to $\frac{1}{2}$	4 $\frac{1}{2}$ to $\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$ to $\frac{3}{4}$
3 months	$\frac{3}{16}$ to $\frac{1}{2}$	4 $\frac{1}{2}$ to $\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$ to $\frac{3}{4}$
Loans—Day to day.....	$\frac{3}{16}$ to $\frac{1}{2}$	4 $\frac{1}{2}$ to $\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$ to $\frac{3}{4}$
Short	$\frac{3}{16}$ to $\frac{1}{2}$	4 $\frac{1}{2}$ to $\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$ to $\frac{3}{4}$
Deposit allowances: Banks	$\frac{3}{16}$ to $\frac{1}{2}$	4 $\frac{1}{2}$ to $\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$ to $\frac{3}{4}$
Discount houses at call	$\frac{3}{16}$ to $\frac{1}{2}$	4 $\frac{1}{2}$ to $\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$ to $\frac{3}{4}$
At notice	$\frac{3}{16}$ to $\frac{1}{2}$	4 $\frac{1}{2}$ to $\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$ to $\frac{3}{4}$

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

	Short Loans.	Bank Bills.			Trade Bills.		
		3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
June 28.....	3 47	37	37	43	43	43	43
July 4.....	3 47	37	37	43	43	43	43
11.....	3 47	37	37	43	43	43	43
18.....	3 47	37	37	43	43	43	43
25.....	3 47	37	37	43	43	43	43

The American Exchange Irving Trust Company cable the following money and exchange rates in New York :—

	July 21, 1927.	June 20, 1928.	June 27, 1928.	July 3, 1928.	July 11, 1928.	July 1 1928.
Call money	4	6	5	5	6	6
Time money (90 days' mixed coll)	44	58	57	52	52	6
Bank acceptances:—						
			Selling	Rates.		
Members—eligible, 90 days ..	38	42	41	41	41	42
Non mem.—eligible 90 days ..	38	41	41	41	41	42
Ineligible, 90 days ..	4	48	48	48	48	48
Commercial accept. 90 days ..	42	44	44	44	44	44

Rates of Exchange.		Par Level.	July 21, 1927.	July 1, 1928.	July 1, 1928.	July 1, 1928.
New York on—						
London—						
30 days			4-81 ¹ / ₂	4-83 ¹ / ₂	4-82 ¹ / ₂	4-82 ¹ / ₂
Cable	Dollars for £1	4-8666	4-88 ¹ / ₂	4-87 ¹ / ₂	4-83 ¹ / ₂	4-83 ¹ / ₂
Oblique			4-85 ¹ / ₂	4-87	4-86	4-86
Paris	Cents for 1 franc		3-91 ¹ / ₂	3-92 ¹ / ₂	3-91 ¹ / ₂	3-91 ¹ / ₂
Brussels	Cents for 1 Belg.	13-90	13-89	13-96	13-94	13-93
Switzerland ..	Cents for 1 franc	19-30	19-25	19-27	19-26	19-25
Italy	Cents for 1 lire	19	5-43	5-23 ¹ / ₂	5-23 ¹ / ₂	5-24
Berlin	Cents for 1 mark	23-81	23-75	23-85 ¹ / ₂	23-82	23-85
Vienna	Cts. for Austrn. shlg.	14-07	14-08	14-93	14-10	14-10
Madrid	Cents for 1 peseta	19-30	17-08	16-49	16-48	16-47
Amsterdam ..	Cents for 1 guilder	40-15	40-45	40-45	40-35	40-22
Copenhagen ..			26-78	26-78	26-72	26-75
Oslo	Cents for 1 kroner	26-80	25-84	26-75	26-72	26-73
Stockholm ..			26-77	26-82	26-78	26-77
Athens	Cents for 1 drachma	19-30	1-15	1-30	1-30	1-30
Montreal	Can. Cents for \$1	100	100-00	1-10	1-10	1-10
Yokohama	Cents for 1 yen	49-85	46-95	46-31	46-15	45-55
Hong Kong ..	Cents for H. Kong \$		49-00	50-35	49-85	49-75
Shanghai	Cents for 1 Shng. tael		62-37	65-50	64-87	64-70
Calcutta	Cents for 1 rupee		36-06	36-28	36-25	36-25
Buenos Aires ..	One peso	103-65	104-05	103-35	104-1	104-15
Rio de Janeiro ..	Cents for 1 milreis	32-42	11-80	11-80	11-80	11-80
Valparaiso	Cents for 1 peso	12-66	12-15	12-15	12	12

† Gold pesos for \$100

London on	Usance	Par.	July 22, 1927.	July 12, 1928.	July 19, 1928.
New York	dollars to £1	Cable	4 86½	4 86½	4 86½
Montreal	dollars to £1	Cable	4 86½	4 87½	4 88½
Paris	francs to £1	T.T.	124.21	123.95-124.05	124.14
Berlin	marks to £1	T.T.	20.43	20.42-43	20.37-37.2
Amsterdam	florins to £1	T.T.	12.107	12.112-11	12.08-12
Brussels	belgas to £1	T.T.	35.00	34.92-93	34.92-94
Milan	lire to £1	T.T.	32.46	32.47	32.40-41
Berne	francs to £1	T.T.	15.22	15.22-23	15.25-26
Oslo	kroner to £1	T.T.	18.159	18.79-80	18.80-80.4
Stockholm	kronor to £1	T.T.	18.159	18.123-13	18.15-16
Copenhagen	kroner to £1	T.T.	18.159	18.15-16	18.194-20
Madrid	pesetas to £1	T.T.	25.224	28.38-40	29.51-53
Lisbon	escudos to £1	T.T.	4.50	27.45-47	1074-108
Vienna	schillings to £1	T.T.	34.58	34.45-52	34.48-52
Prague	krono to £1	T.T.	24.02(a)	16.53-16.53	164.78-79
Belgrade	dinars to £1	T.T.	25.224	2754-2763	2767-77
Budapest	pengo to £1	T.T.	27.82	27.85-90	27.90-95
Bukarest	lei to £1	T.T.	25.224	800-800	791-794
Sofia	leva to £1	T.T.	25.224	658-676	671-6
Constantinople	drachme to £1	T.T.	25.224	369-374	374-54
Warsaw	zlotys to £1	T.T.	110	947-953	953-8
Helsingfors	F. marks to £1	T.T.	43.58	43-44	43-44
Kovno	litas to £1	T.T.	193.23	1924-1923	1934-3
Reval	litas to £1	T.T.	48.66	48-49	48-49
Riga	kroon to £1	T.T.	18.159	18.00-1840	18.11-18.18
Alexandria	piastres to £1	T.T.	25.130	25-15-30	25-15-30
Buenos Aires	pesos to peso	Sight	974	974-76	974-74
Rio de Janeiro	pesos to peso	T.T.	47.624	47.62-63	47.62-63
Montevideo	pesos to peso	T.T.	51	50-53	50-53
Valparaiso	dollars to £1	T.T.	16	49-49	50-52
Calcutta	Eng. to Per. £1	90 days	40	39-83	39-85
Bombay	rupee	T.T.	18	28% prem.	19% prem.
Madras	rupee	T.T.	13	1/54-74	1/53-74
Hong Kong	ster. to dollar	T.T.	..	1/54-74	1/53-74
Shanghai	ster. to dollar	T.T.	..	1/54-74	1/53-74
Singapore	ster. to dollar	T.T.	..	1/54-74	1/53-74
Kobe	ster. to yen	T.T.	..	1/54-74	1/53-74
Manila	ster. to peso	T.T.	..	1/54-74	1/53-74
Mexico	pesos to dols.	T.T.	..	1/54-74	1/53-74

(a) An official stabilisation at 2.90.303 dollars to 100 krone, i.e., approximately 162½ krone to £.

Changed.			Changed.		
Amsterdam	Oct. 12, 1927	%	Oslo	Mar. 26, 1928	%
Algiers	June 7, 1927	40	Paris	Jan. 19, 1928	58
Batavia	July 26, 1921	6	Prague	Mar. 8, 1927	5
Berlin	Oct. 5, 1921	7	Pretoria	Jan. 9, 1928	5
Brussels	June 30, 1928	4	Reval	Jan. 2, 1928	74
Bucharest	Sept. 4, 1920	6	Riga	April 1, 1928	67
Budapest	Aug. 26, 1926	6	Rome	June 25, 1928	5
Calcutta	July 19, 1928	5	Stockholm	Aug. 5, 1924	10
Copenhagen	June 23, 1927	6	Stockholm	Apr. 30, 1928	4
Danzig	June 20, 1927	6	Suez Canal	Oct. 22, 1925	33
Helsingfors	Nov. 24, 1927	6	Tokio	Oct. 18, 1927	5.48
Harbin	Feb. 8, 1925	7	Vienna	July 16, 1928	51
Lisbon	July 28, 1926	8	Warsaw	May 13, 1927	8
New York Federal Reserve	July 12, 1928	5	Irish	Apr. 21, 1927	56
Madrid	Mar. 23, 1923	6			

Central Bank of Chile.—Discount rate for member banks, 64%; discount rate for the public, 74%.

+ 6% applied to banks, &c., charging not more than 11% p.a. for their loans.
 + 7% applied to banks, &c., charging more than 11% p.a. for their loans.

The South African Banks quote the following rates:—

	Union of South Africa.		Union of South Africa.	
	From February 6, 1928.		From February 6, 1928.	
	London on South Africa.		South Africa on London.	
	Buying.	Selling.	Buying.	Selling.
T.T.	1 1/2 %	1 1/2 %	par to 1 % pm.	3 % prem.
Demand	1 1/2 % dis.	1 1/2 % dis.	1 1/2 % dis.	1 to 1 1/2 %
30 days	1 1/2 % "	1 1/2 % "	1 1/2 % "	1 1/2 % "
60 days	1 1/2 % "	1 1/2 % "	1 1/2 % "	1 1/2 % "
90 days	1 1/2 % "	1 1/2 % "	1 1/2 % "	1 1/2 % "
120 days	1 1/2 % "	1 1/2 % "	1 1/2 % "	1 1/2 % "

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country.	Method of Quoting.	Par Value.	Usance	Rate.
Ecuador	Sueres to £	24:3325	Sight London	24:40
Venezuela	Bolivares to £	25:25	"	25:32
Colombia (Bogota)	Pesos to £20	100	"	99:00
Nicaragua	Cordobas to £	4:8665	"	4:92
Salvador	Colonos to £	9:73	"	9:90
Bolivia	pence to Boliviano	19:20	90 days	18

	London on Australia and New Zealand.				Australia and New Zealand on London.			
	Buying.		Selling.		Buying.		Selling.	
	Aus- tra-lia.	New Zeal'nd	Aus- tra-lia.	New Zeal'nd	Aus- tra-lia.	New Zeal'nd	Aus- tra-lia.	New Zeal'nd
T.T.	..	..	99½	99½	..	..	101	100½
Demand	98½	98½	99½	99½	99½	99½	100½	100½
30 days	97½	97½	..	..	99	99	100	100
60 days	97	97	..	..	98½	98½	99½	99½
90 days	96½	96½	..	..	98	98	99	99½

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follow:—

1928.	ARRIVALS.	£	1928.	WITHDRAWALS.	£
July 13	bars bought	128,000	July 13	.....	nil
" 14	.....	nil	" 14	.....	nil
" 16	bars bought	116,000	" 16	.....	nil
" 16-S. Africa.	sovs.	750,000			
" 17	bars bought	280,000	" 17	.....	nil
" 18	.....	nil	" 18	.....	nil
" 19	.....	nil	" 19	.....	nil
Total	.....	1,274,000	Total	.....	nil

The following statistics of imports and exports of gold for week ended July 18, 1928, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.		Exported from Great Britain and Northern Ireland.	
From—	£	To—	£
Russia	1,009,900	Poland	5,270
Venezuela	3,720	Germany	25,530
British West Africa	25,330	Netherlands	12,448
British South Africa	823,518	France	13,015
Other Countries	1,568	Switzerland	68,198
		Spain	554
		Italy	1,375
		Austria	15,000
		Egypt	25,450
		Gibraltar	2,000
		Kenya	3,385
		British India	7,200
		Other Countries	1,070
Total declared value of imports	1,864,026	Total declared value of exports	180,495

The Commercial Bank of Australia, Limited, announce that a branch of their bank has been opened at Bathurst, N.S.W. Barclays Bank, Limited, announce that they have opened a branch at 10, Falsgrave road, Scarborough, under the management of Mr A. de G. Cott, also at 33 Victoria street, Burnham-on-Sea, Somerset, under the management of Mr H. W. Heymer, who is also manager of Bridgwater branch. They have also opened a new sub-branch at Cottingham road, Hull, under the management of Mr J. Butt Newton, who is also manager of Beverley road, Hull, branch.

† Tramway Receipts only.

† Free of tax.

VENEZUELAN OIL CONCESSIONS.—Production for the week ended July 14th was 102,424 metric tons (previous week ended July 7th,

	Output.	Other Notes in Return.
Tin.	Tons.	
Berenguela	32	65·5 per cent. fine tin.
Briseis	25	Black tin cleaned up.
East Pool and Agar	..	Estimated revenue, £9,487.
Mongu (Nigeria)	45	..
Nigerian Base Metals	33	..
Northern Nigeria (Bauchi)	160	Value, £23,400.
South (Bukuru) Nigeria	23	..
Wheal Kitty	16	..
Coal.		
Chinese Engineering	..	Sales of coal week ended July 7, 35,000 tons.
Copper.		
Kamagua	267	..

SECURITY FIRST ROYAL INSURANCE COMPANY, LIMITED

HEAD OFFICES: LIVERPOOL AND LONDON.

SUMMARY OF BALANCE-SHEETS.

LIABILITIES.		ASSETS.	
June 30, 1927.	June 30, 1928.	June 30, 1927.	June 30, 1928.
Capital paid up .. 15,810,252 ..	15,810,252 ..	Cash .. 41,750,369 ..	38,092,823 ..
Reserve fund .. 10,000,000 ..	10,000,000 ..	Balances with, and cheques in course of collection .. 12,370,047 ..	14,097,448 ..
Current & deposit, & other accounts .. 353,934,405 ..	348,467,745 ..	Money at call & notice .. 31,659,685 ..	28,594,793 ..
Notes in circulation (Isle of Man)	4,710 ..	With banks abroad	1,471,332 ..
Acceptances .. 15,675,007 ..	8,196,693 ..	Treasury bills	34,605,000 ..
Endorsements, guarantees, & other obligations	34,791,720 ..	British bills of exchange	7,695,628 ..
		Colonial and foreign bills	2,938,750 ..
		Treasury bonds & other short-term British Govt. Stocks .. 25,495,147 ..	23,153,097 ..
		Other British Govt. Sec'ts .. 11,842,713 ..	11,964,669 ..
		Indian & Colonial Govt. Stocks	3,813,875 ..
		and British Corp. Stocks	1,460,458 ..
		Other invests.	2,921,082 ..
		The National Bank of Scot.	2,550,912 ..
		Bank of London & S. America	3,422,695 ..
		Lloyds & Nat. Provincial Foreign Bank Limited	240,000 ..
		Loans and advances	202,417,660 ..
		Items in transit	187,409,418 ..
		Other assets	5,036,537 ..
		Bank premises	3,005,783 ..
		Acceptances	6,472,713 ..
		Endorsements	6,820,606 ..
			8,196,693 ..
			34,791,720 ..
			395,419,654 ..
			417,271,120 ..

MIDLAND BANK, LIMITED.

The statement of accounts of the Midland Bank Limited, made up on June 30, 1928, compares as follows with the position shown by the bank on June 30, 1925 and 1927:—

LIABILITIES.	June 30, 1926.	June 30, 1927.	June 30, 1928.
Capital paid up .. 12,665,798 ..	12,665,798 ..	12,665,798 ..	13,286,310 ..
Reserve fund .. 12,665,798 ..	12,665,798 ..	12,665,798 ..	13,286,310 ..
Current, deposit and other accounts (including balance of profit & loss account) .. 349,460,874 ..	376,528,502 ..	382,752,859 ..	382,752,859 ..
Acceptances and confirmed credits on account of customers .. 33,346,379 ..	13,920,347 ..	25,697,254 ..	25,697,254 ..
Engagements on account of customers	408,138,849 ..	433,902,629 ..	455,537,447 ..

ASSETS.	June 30, 1926.	June 30, 1927.	June 30, 1928.
Coin, gold bullion, bank and currency notes, and balances with the Bank of England .. 52,509,545 ..	48,947,815 ..	43,177,637 ..	43,177,637 ..
Balances with, and cheques in course of collection on, other banks in Great Britain and Ireland .. 16,177,435 ..	18,608,372 ..	21,207,178 ..	21,207,178 ..
Money at call and short notice .. 20,460,117 ..	24,566,803 ..	25,159,450 ..	25,159,450 ..
Investments .. 35,469,941 ..	37,128,551 ..	23,555,163 ..	23,555,163 ..
Bills discounted .. 40,274,005 ..	49,557,059 ..	58,149,091 ..	58,149,091 ..
Advances to customers and other accounts .. 198,717,420 ..	209,661,918 ..	216,630,139 ..	216,630,139 ..
Liabilities of customers for acceptances, confirmed credits, and engagements .. 33,346,379 ..	32,042,531 ..	46,411,998 ..	46,411,998 ..
Bank premises .. 6,806,055 ..	7,095,771 ..	8,730,332 ..	8,730,332 ..
Capital, reserve, and undivided profits of Belfast Banking Co., Limited	6,377,952 ..	6,493,809 ..	6,666,489 ..
The Clydesdale Bank, Limited			
North of Scotland Bank, Limited			
Midland Bank Executor and Trustee Co., Limited			

The following statement, supplementing the above figures, shows the proportion of the principal assets to current, deposit and other accounts (including balance of profit and loss account):—

	June 30, 1926.	June 30, 1927.	June 30, 1928.
Coin, gold bullion, bank and currency notes and balances with the Bank of England .. 15.0 ..	13.0 ..	11.3 ..	11.3 ..
Balances with, and cheques in course of collection on other banks in Gt. Britain & Ireland .. 4.6 ..	4.9 ..	5.5 ..	5.5 ..
Money at call and short notice .. 5.9 ..	6.5 ..	6.6 ..	6.6 ..
Investments .. 9.6 ..	9.9 ..	7.7 ..	7.7 ..
Bills discounted .. 11.5 ..	13.1 ..	15.2 ..	15.2 ..
Advances to customers and other accounts .. 56.9 ..	55.7 ..	56.6 ..	56.6 ..

NATIONAL PROVINCIAL BANK, LIMITED.

LIABILITIES.	June 30, 1927.	ASSETS.	June 30, 1927.
Capital paid up .. 9,479,416 ..	9,479,416 ..	Cash .. 37,459,019 ..	100,000 ..
Reserve .. 9,479,416 ..	9,479,416 ..	Money at call & notice .. 20,924,932 ..	2,048,314 ..
Acceptances, &c. .. 13,800,329 ..	2,564,923 ..	Investments .. 37,533,237 ..	984,975 ..
Deposits, &c. .. 263,310,169 ..	4,628,831 ..	Discounts, &c. .. 18,694,239 ..	3,097,393 ..
		Bank premises .. 5,657,573 ..	368,096 ..
		Acceptances .. 13,800,310 ..	2,564,923 ..
			296,069,310 ..
			7,193,754 ..

ANGLO-DUTCH PLANTATIONS OF JAVA, LIMITED.

LIABILITIES.	December 31, 1927.	ASSETS.	December 31, 1927.
Amount.	£	Amount.	£
Ord. shares (£1) .. 2,342,914 ..	162,031 ..	Cost of shares in Maatchappij, &c. .. 706,486 ..	706,486 ..
5% conv. deb. stk. .. 41,280 ..	55,970 ..	Advances to above co. .. 3,534,245 ..	213,561 ..
6% deb. stock .. 500,000 ..	500,000 ..	Investments at cost .. 251,004 ..	228,118 ..
Capital reserve .. 693,434 ..	10,050 ..	5% War stock, 1929-47 .. 302,887 ..	302,887 ..
Insurance reserve .. 127,102 ..	7,021 ..	Debtors .. 31,053 ..	1,966 ..
Share premium account .. 284,993 ..	118,991 ..	Cash .. 28,589 ..	16,000 ..
Creditors .. 146,926 ..	10,164 ..		
Reserve for contingencies .. 150,000 ..	..		
Resv. for pensions .. 20,000 ..	..		
Sumatra	..		
Dutch estates .. 3,761 ..	15,690 ..		
Unclaimed divs. .. 8,627 ..	2,355 ..		
Reserve account .. 535,227 ..	18,645 ..		
Total .. 4,854,264 ..	758,600 ..	Total .. 4,854,264 ..	758,600 ..

EASTERN TELEGRAPH COMPANY, LIMITED.

LIABILITIES.	December 31, 1927.	ASSETS.	December 31, 1927.
Amount.	£	Amount.	£
Ord. stock .. 5,000,000 ..	..	Capital expend. .. 9,492,072 ..	4,708 ..
3% pref. stock .. 2,000,000 ..	..	Investments .. 2,832,585 ..	456,015 ..
4% deb. stock .. 2,000,000 ..	..	Spare cable, &c. .. 278,144 ..	51,673 ..
Reserves .. 3,282,125 ..	52,849 ..	Debtors .. 1,200,539 ..	329,816 ..
Creditors .. 1,241,041 ..	41,158 ..	Remittances .. 7,559 ..	871 ..
Bills payable .. 3,549 ..	3,049 ..	Bills receivable .. 794 ..	195 ..
Do in transit .. 5,573 ..	3,027 ..	Cash .. 523,050 ..	49,425 ..
Deb. int. accrued .. 10,893 ..	42 ..		
Dividends .. 265,797 ..	..		
Reserve account .. 525,765 ..	19,140 ..		
Total .. 14,334,743 ..	30,875 ..	Total .. 14,334,743 ..	30,875 ..

ENGLISH SEWING COTTON COMPANY, LIMITED.

LIABILITIES.	March 31, 1928.	ASSETS.	March 31, 1928.
Amount.	£	Amount.	£
Ord. shares .. 1,000,000 ..	..	Properties, &c. .. 3,434,533 ..	46,246 ..
Ord. shares .. 2,000,000 ..	..	Stocks .. 636,510 ..	75,357 ..
4% 1st mort. deb. .. 967,271 ..	..	Debtors .. 226,069 ..	21,235 ..
Creditors .. 270,181 ..	41,899 ..	Cash, &c. .. 85,291 ..	33,542 ..
American Thread Co. .. 138,568 ..	83,313 ..	Investments .. 1,396,763 ..	65,817 ..
Subsidiary cos.	180,488 ..	Subsidiary cos. .. 11,653 ..	11,653 ..
Pension fund .. 92,547 ..	2,664 ..		
Reserve .. 400,000 ..	..		
Div. reserve .. 200,000 ..	..		
Stock reserve .. 200,000 ..	..		
Insurance reserve .. 50,000 ..	..		
Profit and loss .. 472,252 ..	180,156 ..		
Total .. 5,790,819 ..	122,216 ..	Total .. 5,790,819 ..	122,216 ..

FURNESS, WITHEY AND CO., LIMITED.

LIABILITIES.	April 30, 1928.	ASSETS.	April 30, 1928.
Amount.	£	Amount.	£
Ord. shares .. 4,000,000 ..	..	Steamships, investments in associated cos., and payments on account of new tonnage .. 4,916,158 ..	40,448 ..
Pref. shares .. 1,500,000 ..	..	Investments .. 3,361,265 ..	124,661 ..
Reserves .. 2,000,000 ..	..	Properties .. 289,005 ..	12,039 ..
Sundry creditors .. 2,717,313 ..	445,498 ..	Sundry debtors .. 1,057,306 ..	232,583 ..
Profit and loss .. 241,565 ..	47,750 ..	Bankers' balances, &c. .. 835,144 ..	217,339 ..
Total .. 10,458,878 ..	397,748 ..	Total .. 10,458,878 ..	397,748 ..

UNION BANK OF AUSTRALIA, LIMITED.

LIABILITIES.	Feb. 28, 1927.	Feb. 29, 1928.	ASSETS.	Feb. 28, 1927.	Feb. 29, 1928.
Amount.	£	£	Amount.	£	£
Capital .. 3,500,000 ..	4,000,000 ..	4,000,000 ..	Specie and Cash .. 6,928,994 ..	7,311,929 ..	7,311,929 ..
Reserve .. 4,250,000 ..	4,850,000 ..	4,850,000 ..	Bullion .. 63,852 ..	76,858 ..	76,858 ..
Balance of profits .. 360,000 ..	399,404 ..	399,404 ..	Money at Call .. 550,000 ..	760,000 ..	760,000 ..
Circulation .. 592,084 ..	574,394 ..	574,394 ..	Investments .. 2,127,075 ..	2,638,926 ..	2,638,926 ..
Deposits .. 32,545,478 ..	33,975,582 ..	33,975,582 ..	Balance of re-mittances .. 6,388,926 ..	8,144,168 ..	8,144,168 ..
Bills payable, &c. .. 4,378,574 ..	3,343,909 ..	3,343,909 ..	Bills discounted .. 29,088,976 ..	27,600,997 ..	27,600,997 ..
			Bank premises .. 286,600 ..	286,600 ..	286,600 ..
			London leasehold premises .. 102,152 ..	100,675 ..	100,675 ..
Total .. 45,626,575 ..	47,144,289 ..	47,144,289 ..	Total .. 45,626,575 ..	47,144,289 ..	47,144,289 ..

Reports and Notices.

Letters of allotment in respect of the recent issue of £525,000 ordinary shares of £1 each in Financial Newspaper Proprietors, Limited, have been posted.

Sir Ernest Oppenheimer, M.L.A., has joined the board of the Consolidated Mines Selection Company, Limited.

Sir Herbert E. Blain, C.B.E., has been elected a director of the National Provincial Insurance Company, Limited.

The Newtex Safety Glass Company, Limited, announce that their factory is now in a complete working condition, and many important orders have been executed.

We are informed that Lord Iveagh has been elected president of the Federation of Chambers of Commerce of the British Empire in succession to Lord Kilsant; Sir Arthur Shirley Benn becomes chairman of the council in place of Sir Edward Davson, and the new deputy-chairman and treasurer are respectively Lord Eljibank and Sir John Sandeman Allen.

BANKS. CONTINENTAL NATIONAL BANK AND TRUST COMPANY OF CHICAGO.—Balance sheet, June 30, 1928:

LIABILITIES.	Amount.	ASSETS.	Amount.
Capital .. 35,000,000 ..	35,000,000 ..	Time Loans .. 213,195,386 ..	213,195,386 ..
Surplus .. 30,000,000 ..	30,000,000 ..	Real estate loans .. 4,610,941 ..	4,610,941 ..
Undivided profits .. 4,452,213 ..	4,452,213 ..	Demands loans .. 154,572,363 ..	154,572,363 ..
Reserve for taxes & interest .. 1,697,002 ..	1,697,002 ..	Acceptances .. 97,435 ..	97,435 ..
Circulation .. 50,000 ..	50,000 ..	Bonds, securities, &c. .. 69,157,569 ..	69,157,569 ..
Bills payable with Federal Reserve Bank .. 28,000,000 ..	28,000,000 ..	U.S. bonds & Treasury notes .. 51,310,108 ..	51,310,108 ..
Letters of credit .. 10,965,856 ..	10,965,856 ..	Stock of Federal Reserve Bank .. 1,950,000 ..	1,950,000 ..
Acceptances .. 6,512,478 ..	6,512,478 ..	Other real estate .. 2,622,170 ..	2,622,170 ..
Deposits .. 532,560,654 ..	532,560,654 ..	Letters of credit .. 3,632,878 ..	3,632,878 ..
		Overdrafts .. 23,424 ..	23,424 ..
		Cash .. 126,752,773 ..	126,752,773 ..
			649,138,202 ..

Deposits, \$532,560,653; resources, \$649,138,202; invested capital, over \$73,000. Continental National Company.—Capital and surplus, \$5,000,000. (The capital stock of this Company is owned by the stockholders of the Continental National Bank and Trust Company of Chicago.)

EQUITABLE TRUST COMPANY OF NEW YORK.—The consolidated statement of condition of the Equitable Trust Company of New York, as at June 30, 1928, shows:—Deposits, \$481,214,636, an increase of \$73,868,331; total resources, \$600,774,786, an increase of \$68,866,964; and surplus and undivided profits, \$25,590,977.

LONDON AND EASTERN TRADE BANK, LIMITED.—The following are the principal items from balance-sheets:—

LIABILITIES.	1926.	1927.	1928.
Current, deposit and other accounts .. 753,403 ..	1,071,013 ..	1,150,451 ..	1,150,451 ..
Acceptances for customers .. 608,721 ..	1,239,319 ..	1,712,651 ..	1,712,651 ..
Paid-up capital .. 600,000 ..	600,000 ..	600,000 ..	600,000 ..
ASSETS.			
Cash in hand and at bankers, money at call .. 420,097 ..	666,950 ..	883,284 ..	883,284 ..
Bills discounted .. 43,363 ..	115,787 ..	72,984 ..	72,984 ..
Investments .. 77,336 ..	44,619 ..	82,773 ..	82,773 ..
Loans, overdrafts and other balances .. 804,334 ..	843,656 ..	748,818 ..	748,818 ..
Total figures .. 1,962,124 ..	2,910,332 ..	3,500,510 ..	3,500,510 ..

The credit of profit and loss is £37,408. The ordinary dividend is 3 per cent., less tax. The carry forward is £23,008.

ERLANGERS, LIMITED.—We are informed that Messrs Erlangers will, as from the 31st instant, transfer their business to a limited company entitled "Erlangers, Limited," conducted on the same lines as heretofore and under the existing management, the board of directors consisting of Baron Emile d'Erlanger (chairman), Baron F. A. d'Erlanger (vice-chairman), Mr. Leo F. A. d'Erlanger (alternate director, Mr. Bruce Otley), Mr. R. F. E. R. d'Erlanger, Mr. H. D. Clive, Mr. Louis H. Kiek, Mr. W. Cyril Tomlinson. The authorised capital of the company will be £2,000,000, of which there will be issued:—6 per cent. cumulative preference shares, £600,000; ordinary shares, £950,000; management shares, £50,000—£1,000,000—£1,600,000. The ordinary shares will be subscribed at a premium of £250,000—£1,850,000, all of which will be paid up in full as at July 31, 1928. As from August 7th the business will be carried on at 4 Moorgate, E.C. 2.

NEW YORK TRUST COMPANY.—June 30, 1928:—

LIABILITIES.	Amount.	ASSETS.	Amount.
Capital .. 10,000,000 ..	10,000,000 ..	Cash .. 109,039,243 ..	109,039,243 ..
Surplus .. 20,000,000 ..	20,000,000 ..	U.S. Government, State and Municipal bonds .. 5,166,083 ..	5,166,083 ..
Undivided profits .. 4,009,519 ..	4,009,519 ..	Other bonds and securities .. 17,963,979 ..	17,963,979 ..
Deposits .. 257,352,075 ..	257,352,075 ..	Loans and bills purchased .. 161,509,171 ..	161,509,171 ..
Dividend payable June 30, 1928 .. 500,000 ..	500,000 ..	Real estate, bonds & mortgages .. 2,277,395 ..	2,277,395 ..
Acceptances, &c. .. 30,540,878 ..	30,540,878 ..	Acceptances, &c. .. 29,440,534 ..	29,440,534 ..
Reserve for taxes, &c. .. 5,443,564 ..	5,443,564 ..	Accrued interest, &c. .. 2,413,631 ..	2,413,631 ..
			327,810,036 ..

STANDARD BANK OF SOUTH AFRICA, LIMITED.—The net profit for year ended March 31, 1928, is £596,596, against £583,801 for preceding year. The sum of £100,000 is allocated to premises, against £75,000, while £125,000 is again put to officers' pension fund. The dividend and bonus is again 10½ per cent. The carry forward is increased from £128,315 to £132,099. The balance-sheet comparison is as follows:—

dividend for 1927 absorbed £51,000, while £25,500 has been utilised to pay the preference dividend for half-year ended June 30, 1928. After these deductions have been made, there is £204,813 available, against £225,384 at end of 1926. The ordinary dividend has been reduced from 8½ per cent. to 6 per cent., which will be paid on August 10, 1928, and will absorb £51,000. This will leave £153,813 to be carried forward, as against £151,009 brought in. The issued capital remains at £1,700,000, equally divided into 6 per cent. cumulative preference and ordinary shares. There is no debenture debt. Depreciation and reserve accounts stand at £1,029,663, against £994,663 in preceding balance-sheet. Loan from bankers is higher at £244,143, against £160,000. Creditors stand at £345,476, against £361,414. Bills payable are at £253,058, against £177,683. With regard to assets, cash is higher at £71,662, against £24,081. Debtors are at £407,818, against £406,260. Stock of hardwood is at £529,109, against £492,538. Stock of softwood is at £208,474, against £166,084. The ordinary £1 shares have fallen from the highest price for 1928 to date of £1 11-32 to their present price of £1, at which they yield 6 per cent. cum dividend of 15 2-5d per share. The meeting will be held at Winchester House, London, on August 1st, at noon.

WELSBACH LIGHT COMPANY, LIMITED.—The board of the Welsbach Light Company, Limited, announce the receipt on July 17th from Imperial Chemical Industries, Limited, of an offer to acquire the Welsbach shares on the following terms:—One Imperial Chemical Industries fully paid ordinary share for every two Welsbach shares, and one Imperial Chemical Industries fully paid deferred share for every 2 Welsbach shares. The Imperial Chemical Industries, Limited, shares will rank *pari passu* with the old shares of that company and carry dividend from January 1, 1928. The offer is subject to withdrawal after August 14, 1928, if not then accepted by holders of 76 per cent. of Welsbach shares. The offer which the board recommend for acceptance will be sent to Welsbach shareholders in a few days with a form of assent, together with the accounts and annual report, in which a dividend of 2½ per cent., less tax, will be recommended.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday Evening.

Brilliant sunshine and a high temperature continues to stimulate the growth of cereal crops. In southern parts of the country wheat is rapidly approaching maturity, and will soon be ready for cutting, whilst harvesting of oats has already commenced. Offerings of native wheat were in small compass and prices firm, despite the weakness of imported descriptions. In the floating and forward cargo market further purchases on Russian account imparted temporary firmness, but values since declined on pressing offers of Canadian grades and favourable crop prospects in the chief exporting countries. An interesting item was the demand for tonnage for new season's wheat, bookings already being made for January-February loadings from Australia and the North Pacific, while vessels are also treating from Argentina. This movement is considerably earlier than last year, and in a measure confirms the promise of bountiful crops. The maize market continued strong under sustained inquiries for cargoes afloat and early shipment, but distant positions rather quiet. A feature was provided by the first offers of Queensland maize on the market, and a full cargo for August shipment has been sold to Ireland at 36s 6d. It is understood that fairly large quantities are likely to come forward during the season, and samples shown have arrived in good condition, while of excellent quality, comparable to best American corn. Wheat again easier. No. 2 Northern Manitoba ex-ship 51s, No. 3 ditto 48s, No. 4 Vancouver 46s 3d, Atlantic 46s, No. 5 Vancouver 44s, No. 6 ditto 42s 6d, Rosafé 63 lbs ex-ship to arrive 50s 6d, Barusso 63 lbs 50s 6d, Australian 52s ex-ship, per 496 lbs. English 10s to 10s 4d per 112 lbs. Flour dull. London standard grade

41s, town whites 42s, patents 43s to 44s per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 37s to 41s, Minneapolis 39s 6d to 41s, Australian 37s ex-ship. Maize again firmer for spot and near parcels, but distant quiet. Plate landed 46s 9d, ditto ex-ship 45s, June-July 40s 6d, July-August 38s 6d, August-September 38s 3d ex-ship, per 480 lbs. Yellow maize meal £11 15s ex-wharf, white African ex-ship to arrive £9 7s 6d, yellow £9 10s per ton. Barley inactive. Californian ex-store 47s to 65s, Chilian Chevalier 60s to 65s, Australian 54s to 60s, Slovakian 63s to 72s per 448 lbs. Algerian landed 38s, Egyptian 37s 9d, Persian 37s, Marmora 37s to 38s, Hama 37s 6d ex-store, No. 3 Canadian Western ex-ship 37s 3d per 400 lbs. English malting 10s 6d to 12s, feed 10s 4d to 10s 10d per 112 lbs. Oats steady for Plate. La Plata landed 30s, ditto ex-ship 29s, black Plate ex-ship 27s, ditto landed 28s 3d, No. 2 Canadian Western ex-ship 31s 6d, landed 32s 9d, No. 3 ditto ex-ship 29s 6d, landed 31s, No. 2 Canadian feed ex-ship 29s, landed 30s 6d, Chilian tawny landed 31s, ditto white 35s 3d ex-ship, 36s 6d landed, German 35s 6d landed, per 320 lbs. English black and grey 11s 8d to 13s, white 12s 4d to 13s 4d, per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1927-28, 1926-27, 1925-26, 1924-25:—

	1927-1928.	1926-1927.	1925-1926	1924-1925
Estimated sales of home-grown wheat—	Owts.	Owts.	Owts.	Owts.
1 week to July 14.....	86,632	56,033	12,227	106,251
46 weeks to July 14.....	10,728,484	11,566,845	12,821,290	10,869,787
Average price of English wheat per cwt.....	s d	s d	s d	s d
	10 9	12 6	13 11	11 9

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1924 to 1927:—

Weeks Ended	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1928.	Owts.	Owts.	Owts.	s d	s d	s d
July 7.....	77,659	5,898	3,721	10 9	10 3	12 2
July 14.....	86,632	4,534	2,608	10 9	10 2	12 5
July 12, 1924..	25,651	664	3,276	11 10	10 9	9 10
July 11, 1925..	74,634	11,321	12,431	11 11	10 2	10 2
July 17, 1926..	12,227	4,548	5,785	13 11	9 0	10 3
July 16, 1927..	56,033	3,265	17,908	12 6	11 9	10 4

AMERICAN WHEAT PRICES.

Wheat prices have declined steadily throughout the week under the influence of reports that all crops are making satisfactory progress. As a result, there has been a marked absence of speculative interest. Quotations:—

NEAREST FUTURE.		Jan. 6, 1927.	July 21, 1927.	Jan. 4, 1928.	July 11, 1928.	July 18, 1928.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs		133½	163½	137	131½	125½
Chicago (No. 2 Winter)—Cents per 60 lbs		137½	142	130½	128½	126½

Visible supplies of wheat in Canada at 50,990,000 bushels show a decrease of 3,709,000 bushels as compared with the previous figures. Supplies a year ago stood at 28,218,000 bushels.

COAL.

Our Cardiff correspondent writes:—The general position on the Cardiff coal market is unchanged. Prices have been firmly maintained on the basis of the minimum schedule. One of the most notable effects of the marketing scheme has been the almost entire elimination of inter-competition between colliery companies in the export business. Merchants are, as a general rule, finding it impossible to induce salesmen to depart from the scheduled prices, and business is accordingly drifting in the direction of the better coals in each classification. Shipments latterly have been below the average, but they are increasing to the Mediterranean, and particularly to Italy, where current deliveries are virtually on a pre-war basis. The following are the current approximate quotations:—Best Admiralties, 19s 3d to 19s 6d; seconds, 19s to 19s 3d; best dries, 18s to 18s 6d; black veins, 17s 6d to 17s 9d; Western Valleys, 17s; Eastern Valleys, 16s 7½d to 17s; best small steams, 12s 6d to 12s 9d; cargo smalls, 11s to 11s 6d; coking smalls, 12s 6d to 13s; anthracite best large, 34s to 35s 6d; red vein large, 20s 6d to 25s; machine-made cobbles, 40s to 43s 6d; French nuts, 40s to 43s 6d; stove nuts, 37s 6d to 39s 6d; rubbish culm, 12s to 12s 6d; foundry coke, 27s 6d to 36s; patent fuel, 20s 6d to 22s; pitwood, ex-ship, 27s 6d.

Our Glasgow correspondent writes:—With the collieries mostly closed for the Fair holidays—except, of course, those in Ayrshire, which close in September, and several in the Lothians, which shut down later in the month—business on the Coal Exchange has not developed greatly since the past long week-end holiday. A fair inquiry is in circulation for washed nuts, but, notwithstanding the restriction of output, orders for large coal would be welcome. Of this class only Lanarkshire splints and ells, and possibly First Fifes, are at all well placed.

Our Sheffield correspondent writes:—The situation of the South Yorkshire coal industry gives cause for anxiety. The six counties' selling scheme has failed to bring any relief to the collieries, and the feeling is growing that it may prove abortive. In the North of England the position is steadier. There the association prices are

adhered to, in spite of the fact that buyers would be prepared to book forward contracts if the owners would grant some slight concessions upon current rates.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—Quieter conditions have set in so far as the iron and steel trades are concerned, but this may be regarded as the beginning of the usual midsummer lull. For the most part the British works are not well off for work. The quieter demand noticeable in the case of British steel products has also affected the market for Continental materials. Business in the British pig-iron market, which has long been disappointing, has still further declined. In the semi-finished steel department, British consumers appear to be well covered for the time being, and are inclined to watch the market. Continental producers do not seem to be pressing sales at the moment, and their prices have again become firm. In the case of finished steel products, buying from the overseas markets has subsided, but there is still a moderate amount of inquiry in the market, more perhaps than is usual at this season of the year.

Our Middlesbrough correspondent writes:—Pig-iron.—Conditions in the iron trade continue quiet, and although the demand for Cleveland is very restricted, makers still adhere to the present fixed price of 66s per ton for No. 3 G.M.B. The hematite quotation is 68s 6d per ton for mixed numbers, but it is possible to arrange business below this figure. Manufactured Iron and Steel.—The steel trade still shows very little change for the better. Quotations remain unaltered as follows:—Steel ship plates, £8 7s 6d; steel ship angles, £7 17s 6d; iron bars, £10 5s; steel rails, £8 10s. Iron Ore.—There is no business in foreign ore, and best rubio is still quoted 22s 6d per ton. Coke is about 17s 6d to 17s 9d per ton delivered at the furnaces, with the supply greater than the demand.

Our Sheffield correspondent writes:—The full effect of the holiday conditions is now apparent in all sections of local industry. Stagnation is general in heavy steel, and while basic steel has been helped by the stiffened Continental market to maintain its position fairly well during the recent wave of depression, there has been a considerable falling away in the demand for the best acid steels. Work is badly needed by the plants producing rail-steel and the wagon-building yards. Quietude at the iron foundries is responsible for the weakness of the pig-iron market, and reductions of prices have failed to stimulate consumption or to tempt forward buying. Stocks have accumulated at most of the blast furnaces, whether producing foundry or hematite pig, and further damping down is imminent. Derbyshire foundry pig can be bought at 60s on trucks. More than half of the open-hearth furnaces in Sheffield are idle. The steel trade in Lincolnshire is fairly strong and tending to improve, though the lighter steel branches and finished steel products are experiencing the usual seasonal dullness. The making of safety razor blades and stainless steels is expanding rapidly.

Our Glasgow correspondent writes:—Business in the iron and steel trades is almost entirely suspended, as all the works in Glasgow and surrounding districts are closed down for the annual holidays. At some works a restart will not be made until the end of the month. Prices in all branches remain unchanged, and the slight advance in galvanised corrugated sheets is maintained. Several moderately priced contracts for structural work are reported, and the outlook is encouraging in this particular department.

Our Cardiff correspondent writes:—Slightly easier conditions have prevailed on the Swansea Metal Exchange, where both prompt and forward business in tinplates has been done at 18s 3d per basis box, f.o.b. works port. It has been decided to maintain the output restriction scheme during the last quarter of the year, when the factories will be closed for two weeks. Discussions have been taking place recently with a view to the allocation of overseas marketing territories. Galvanised sheets are a comparatively quiet market, with quotations ruling from £13 7s 6d to £13 10s. Welsh tinplate bars are ruling at the minimum of £6 and foreign bars are quoted £5 5s, compared with £5 7s 6d last week.

OTHER METALS.

TIN.—The market for tin displayed much firmer features, values responding to a better demand and higher Eastern advices, so that buyers adopted reserved measures. Dealings were attended by slight irregularity, and included standard cash at £211 to £210 and £218, three months £206 10s to £210 and £213 15s. Sales in the East were reported at £209 17s 6d to £209 15s and £216 10s. Stocks at London and Liverpool warehouses for week ending July 14th totalled 2,077 tons, compared with 1,078 tons at corresponding period last year.

COPPER.—Trading on the standard market was more subdued, but after an easier opening a steadier tone prevailed on improved inquiries. Standard cash changed hands at £62 18s 9d to £63, three months £63 5s to £63 3s 9d and £63 5s.

LEAD in good support and market firmer, with sellers more reserved. Good soft foreign pig July sold £20 7s 6d to £20 13s 9d, August £20 13s 9d to £20 18s 9d, September £20 13s 9d to £21, October £20 16s 3d to £21 2s 6d, November £20 17s 6d to £21.

HARRISONS & CROSFIELD, LTD.

EASTERN AND GENERAL MERCHANTS.

1-4, GREAT TOWER STREET, LONDON, E.C.3.

WITH BRANCHES THROUGHOUT THE EAST, AND ASSOCIATED IN AUSTRALASIA WITH HARRISONS RAMSAY PROPRIETARY, LTD.

SPELTER opened easier, but since improved on a better inquiry. July sold at £24 16s 3d to £24 12s 6d, August £24 15s to £24 13s 9d and £24 16s 3d, September £24 15s to £24 17s 6d, October £24 13s 9d to £24 18s 9d.

ALUMINIUM steady. Ingots and bars for home delivery £95 ton.

ANTIMONY quiet. English regulus £59 10s to £60, foreign spot £39 10s to £40 ton.

WOLFRAM steady. Straits quality quoted 15s to 15s 3d per unit, c.i.f.

QUICKSILVER quiet. Spot quoted £20 15s to £20 17s 6d per bottle.

TIN PLATES quiet. I.C. coke, prompt and forward, quoted 18s 3d per box, f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, July 18, 1928.

The market has been subject to considerable long liquidation on more favourable weather news, which yesterday culminated in a very large volume of selling. October closed at 11.03d. To-day the tone has been steadier and some recently sold cotton has been rebought, the market closing at some 15 or 17 points higher on the day. The weekly weather report issued to-day is more bullish than was generally expected. Spot sales for the week 12th to 18th (inclusive) were 27,000 bales, of which 18,300 are American, 750 Brazilian, 4,500 Peru, 2,300 Egyptian, 850 African, 100 East Indian, and 200 sundries. Imports for the same period were 18,319 bales, of which 5,775 were American, 1,373 Brazil, 3,739 Peru, 2,092 Egyptian, 4,334 African, 764 East Indian, and 242 sundries. Quotations to-day are American middling, 11.88d; Egyptian sakel, 10.55d; Egyptian uppers, 14.10d; Brazil fair, 12.13d; Peru G.F. mod. rough, 12.70d; Peru G.F. smooth, 12.93d; East African G.F., 14.85d; West African middling, 11.73d.

MANCHESTER, July 18, 1928.

Trading in the market during the past week has not shown any expansion. The attitude of buyers has been affected by the decline in raw material rates, and bearish sentiment is more pronounced than for a long time back. Operations in piece goods for India have been within a small compass. Monsoon news continues favourable. A fair undercurrent of demand has been met with for China, chiefly in white shirtings and dyed goods. A few more tentative offers have been about in standard makes for Egypt, and certain advices from the home trade are rather more encouraging. There is a tendency in certain weaving centres for looms to run out of work. Prices in American and Egyptian yarns have favoured buyers, and quotations when tested have been very irregular. Only a restricted business has been done, and there are increasing complaints from spinners.

Comparative Statement of the Cotton Trade.

	1928.				Corresponding Date.	
	June 27.	July 4.	July 11.	July 18.	1926.	1927.
Raw Cotton—Mid. American.....per lb	12 13	12 33	12 28	11 98	10 50	9 26
—Sakellaridis Fully Good Fair.....per lb	21 05	20 75	20 65	19 55	17 10	17 00
—Egyptian.....per lb	17 1	17 1	17 1	17 1	16 1	15 1
Yarns—32's twist.....per lb	17 1	17 1	17 1	17 1	16 1	15 1
—40's twist.....per lb	31	30 1	30 1	29 1	28 1	27 1
—50's twist (Egyptian).....per lb	31	30 1	30 1	29 1	28 1	27 1
32-in. Printers, 11s yds, 16 by 16, 32's and 50's.....	27 0	27 0	26 6	26 6	26 0	25 0
36-in. Shirtings, 7s yds, 19 by 19, 32's and 40's.....	9 30	9 30	9 30	9 30	9 30	9 30
38-in. ditto, 3s yds, 18 by 18, 10 lbs.....	15 9	15 10 1	15 10 1	15 7 1	14 7 1	14 1
39-in. ditto, 3 1/2 yds, 16 by 16, 8 1/2 lbs.....	14 7 1	14 9 1	14 9 1	14 6 1	14 1	13 4

THE WOOL TRADE.

Our Bradford correspondent writes:—The general tone of the market is fairly good, but bulk business in tops and yarns is still lacking, thus reflecting the slow trade in piece goods. The recent spell of hot weather has certainly helped matters considerably, especially in the retail section, and the reduction in stocks must sooner or later have a beneficial effect upon the producing centres. At present, however, there seems to be a disposition to "mark time," and although wool continues to sell remarkably well and the raw material position seems fundamentally sound, users are not inclined to do much more than cover immediate requirements. The most unsatisfactory feature is the tendency for short time to increase, and in the absence of bulk business competition is exceedingly keen for the orders available. This is especially noticeable in the yarn trade, and spinners' prices for most descriptions of yarns have been so much cut in recent weeks that few of the orders

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can possibly show any margin of profit. Topmakers have adopted a rather firmer attitude since the opening of the Colonial wool sales in London, but although their present quotations are well below replacement values based on costs in Coleman street, they are unable to sell any big weight. Business in piece goods is irregular, but in the aggregate a fair turnover is being done, both on home and export account, though prices, except for high-class fancies, are disappointing.

COLONIAL WOOL. (FROM A CORRESPONDENT.)

The London sales have made satisfactory progress, the last auction being held yesterday. The series has been exceptionally short, lasting only nine selling days, so that there has not been quite as severe a test of values as if selling had been going on continuously for over a fortnight. At the same time, the strength of the raw material has been unmistakably revealed, prices established being firmer than some of the optimistic members of the trade expected. This shows that there are no surplus stocks in the hands of manufacturers. The next series of London sales will not begin till September 18th, and in the eight weeks which must elapse without any sales in Coleman Street there is time for all existing stocks to be greatly reduced. The most gratifying feature of the sales is the good competition. The merino section has been responsible for some excellent prices, but the improbability of being able to buy the raw material more cheaply is the influence which chiefly compels buyers to operate now, though it is known that the prospect of turning purchases over at a profit is very remote. It is not yet definitely known what quantities have been taken by the home trade, the Continent, and America. The last named will be very small indeed, and no doubt the Continent will have taken the largest share. Prices have not varied a great deal during the course of the auctions, the bulk of the wools having been sold on the same clean scoured basis as that current at the close of the May series. Most of the crossbreds have gone slightly in buyers' favour, but any decline is so small as to be insignificant. The general outlook for wool is still good.

THE JUTE TRADE.

Prices of raw jute are fluctuating in a manner which is very disconcerting to the trade, rising and falling according to the weather reports. The Director of Agriculture for Bengal has issued his consolidated forecast of the acreage, which agrees with the figures given under the district returns of 3,166,200 acres, or 205,000 acres less than last year. The carry forward up country and also in Calcutta is stated by the Director to be small, and recent excessive rains, combined with the prevalence of insects, may have caused some damage. All things considered, the next crop of jute will probably turn out a quantity only just sufficient to meet the requirements of the world under present working conditions. So far actual consumers have purchased little of the new crop, and the market has been practically in the hands of speculators, who have advanced prices to a level which is considered by spinners to be too high. Sellers have been extremely reserved about offering the new crop, even at prices such as £41 for First Marks and £39 10s for Lightnings, August-September shipment, while there appears to be little of the old crop available. For July First Marks £39 is named, and £37 for Lightnings. New crop Daisee assortment is offered at £39, September-October, compared with the value of old crop for July of £38.

Spinners are working full time and consuming more raw material than they have done for many years past. Yarns have been very well sold to the end of the year, and prices are all very firm. For common 8-lb cops 3s 10d has been paid, and spools have fetched 3s 11d for delivery to the end of the year. Irrespective of what may happen in regard to raw material prices, values of yarns should not come down for months to come. Twist is very firm at from 6d for 3-ply 8-lb, and sacking yarns are strong at 4½d to 4½d for 24-lb weft and at 5½d to 6d for 8-lb chains. Rove has been better, and sold at £29 for 48-lb and £19 for 200-lb, with spinners now requiring 10s more. Carpet yarns are improved to 5½d to 5½d for 14-lb warp. Fine yarns are dearer in consequence of an improved demand. Manufacturers are all very busy, and working to full capacity. Sales of the 10-ounce 40-inch make of hessians have been large and numerous, especially to the River Plate, which centre is evidently short of goods for delivery to the end of November, and supplies cannot be obtained from Calcutta. Values of cloth have advanced all round to 5d to 5½d for 10½-ounce 40-inch hessians and 3½d to 4d for 8-ounce. Linoleum hessian buyers have not purchased freely, but prices have advanced in sympathy with the general improvement in the market. Heavy goods makers are all better placed as the result of large orders placed for sackings and tarpaulins.

HIDE, LEATHER, AND ALLIED TRADES.

The hide market remains firm, and prices are again steadily mounting upwards. At last week's Bermondsey auctions best ox sold from 9½d to 10½d, showing advances of ½d to ½d per lb. All provincial hides have also advanced, and will probably go higher as supplies are short, all old stocks having been absorbed. Calfskins have also advanced by ½d to ½d per lb. Prices on the South American market have been maintained, as the United States and Germany have been well in evidence again. Best Argentine

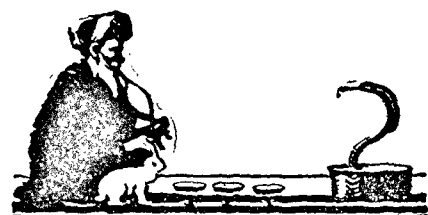
frigorifics are now selling on a basis of 12½d, but as the saladero season is almost over little business is passing. B.A. Americanos seem purely speculative. All other classes of dry hides are very firm, and up to 19½d has been made for African dry hides. Chicago reports the hide position as steady at the advance, best heavy packer steers making 24½ cents.

Whilst tanners are reporting a better tone in trade, merchants do not seem to be doing much, and some of them are offering accumulations at slightly lower figures, apparently to obtain cash to pay for fresh lines of bends and offal. There is, however, a better demand from manufacturers, although only for small parcels. Little expectation is now held of a fall in values, and once the autumn shoe trade sets in higher prices may be looked for. Repairers are now taking supplies of wet salted bends, and seem prepared to pay from 24d to 30d. The upper section is rather quiet, but seems to be improving. Inquiries are frequent for sample lots of box and willow calf, patent in black, and glacé kid in black and dark tan shades. The shoe section, however, remains rather quiet, and until autumn orders come along big contracts for upper stock will not be placed.

VEGETABLE OILS AND OILSEEDS.

Trade generally has continued on quiet lines. Linseed, though in poor demand from consumers, is steady, and values are little changed at £28 15s per ton naked ex-mill on spot, and £29 for August and later delivery. Cotton oils are weak and neglected, prices having further declined without inducing demand. Crude Egyptian now offers at £32 5s and technical refined at £34 5s, with common edible quoted £36 10s, all ex-Hull. Palm kernel oil is steadier.

In the oilseed section Plate linseed has maintained late values on more request from the Continent, though crushers' wants here are soon satisfied. The continuance of labour troubles at Rosario has reduced shipments, and the quantity afloat for Europe has declined to 172,200 tons, or 16,700 tons less than a week ago, and comparing with 128,000 tons a year ago. To Hull £15 16s 3d has been paid for August-September and £16 for August-September shipment. Calcutta linseed to London is quoted £17 17s 6d spot and July-August. Cottonseed has been dull, and little business possible. Old crop Egyptian has further fallen away, and £10 13s 9d has been accepted for black on spot and £10 15s for shipment. The new crop is now offering, and £10 13s 9d has been paid for October loading. Trade in oilcakes is slow, but values are maintained.



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FOOD, BEVERAGES, &c.

SUGAR.—British refined 3d cwt dearer with sustained inquiries, both on grocery and manufacturing account. Otherwise market is quiet, not to say uninteresting. Inherent weakness is apparent in the world's position of the commodity, the cause of which is difficult to trace, but nevertheless it is expressed both in price and figures, while traders are still chary upon the point of carrying excess stock. After showing firmness American markets reacted, despite the position there being relieved by the clearance of the 300,000 tons Cuban, 96 per cent., to Great Britain. This would indicate some diminution in U.S.A. consumption. Rain is now needed for the growing crops over a large area in Europe, and navigation on the river Elbe is impeded by shallow water. T.L. granulated, spot, London, sold, 26s; Dutch J, quoted 26s; German, sold, 25s 6d; white Mauritius, 24s to 24s 4½d; and crystallised West India moves off slowly at 24s to 26s 6d, according to sample. Colwick and Kidderminster granulated selling at 26s 6d, first hand, August delivery, ex factories; July, Cupar, at 26s 6d; August, 26s 7½d, sellers; Selby, July-August, 26s 7½d. Home-grown Cantley, &c., clearing well at 26s 3d, ex factories. Shipment parcels dull. Czech granulated, July, 13s 10½d to 14s, as to mark; November-December, 13s 6d, f.o.b. Hamburg, Dutch J, ready, 13s 10½d; November-December, 13s 6½d, f.o.b., Rotterdam. Polish crystals, ready, 13s 8½d; November-December, 13s 4½d, f.o.b., Danzig. White Mauritius, September-October, to London, 17s, c.i.f. White Java, July-August, to Calcutta, 12s 9d; October-December, 12s 10½d; January-March, 13s, c. and f. terms. Raw refining kinds, more or less nominal as far as the U.K. is concerned. Foreign 96 per cent., July-August, quoted, 11s 9d; preferential, 15s 6d, and continental beet, November-December, 11s 4½d, c.i.f. terms. White terminal section, moderate sales, easier prices. August, sold, 13s 10½d to 13s 9½d; December, 14s 2½d to 14s 1½d; March, 14s 3½d; May, 14s 6½d to 14s 6d per cwt. Cuban receipts last week, 30,580 tons, against 38,060 last year; exports, 61,210, against 66,100; stocks, 1,096,150, against 1,087,110. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending July 14th amounted to 120,674 tons, compared with 136,039 tons at same period last year.

COFFEE.—The market remained decidedly quiet, and in some cases prices favoured the buyer, more especially so with regard to medium descriptions. Bold dull faded grey Costa Rica sold, 143s 6d; pile sizes, 137s to 139s; Salvador, fine ordinary foxy, 111s; Kenya fair bold, 132s 6d.

COCOA.—Spot market steady, with a fair demand for West India, also Accra. Terminal quiet and easier. September, sold, 60s 6d; October, 60s 9d to 59s 9d; January, 58s 6d; December, 58s 6d to 58s; March, 58s to 58s 3d. Quiet market for Accra for shipment. FJB November-January quoted 54s 6d, f.o.b.

TEA.—Indian auctions were on a smaller scale this week while amounting to only 17,082 packages and these were accounted for on Monday. The total was made up of new season's from northern India. Market somewhat irregular and prices were on a slightly lower level than those ruling for old season's. Some invoices from Doar showing useful quality went at steady rates. Quality proved generally inferior to that of first invoices last season. Southern Indian also tended against sellers. Ceylon auctions were on an extended scale and totalled 40,805 packages, occupying two days selling. All attractive liquoring qualities met a firm market, being occasionally dearer, while medium and common kinds ruled easier. Export buyers were in evidence. Java and Sumatra auctions met a good demand at firm prices.

RICE.—Market nominally unaltered, and no new development in the European situation. India still accounts for Burma offerings.

PEAS.—Market slow. Japanese, spot, London, 24s 3d; June-July and July-August, 23s 6d; September-October, new crop, sold, 22s 3d; October-November, at 22s 1½d cwt, c.i.f.

BEANS.—Madagascar, spot, sold, 21s 6d to 24s.

SPICE.—Pepper quiet and easier. Lampung, May-July, quoted 1s 2d; August-October, sold, 1s 1½d to 1s 1½d; Muntok, May-July, quoted 1s 10½d; August-October, sold, 1s 9½d to 1s 9½d lb. London stock of pepper reduced by 27 tons on the week for black and 10 for white. Cloves quiet, steady. Pimento unaltered. Sago flour, July-August, 11s 10½d; further ahead, c.i.f., U.K. Dutch farina, July-August, quoted 14s 1½d, f.o.b. terms. Tapioca flour, July-August, to the U.K., 9s 9d, c.i.f. American starch powder, July-August, 15s 9d for Corona, c.i.f., U.K. Tapioca quiet, but steady for both Java and Singapore descriptions. African ginger, in common with other sorts, slow of sale. Really fair quality, on spot, London, held for 55s cwt.

FRUIT (Dried).—Currants firm but quiet. Pyrgos quoted 51s to 52s 6d; Patras, 53s to 54s; Amalias, 52s to 53s; Gulf, 55s to 57s; Vostizza, 60s to 62s. Sultanah dull. Smyrna, common to medium, 38s to 55s; good to fine, 56s to 62s; Cretan, 48s to 65s; Australian, new, ranges from 55s to 80s; Californian, 40s to 51s; Cape, 42s to 45s; bleached, 45s to 60s. Raisins slow. Valencia quarter boxes range from 33s to 38s; Australian Lexias, 34s to 48s; Cape, 37s to 45s. Figs, steady, with a fair business in parcels to arrive. Genuine, spot, 27s to 30s, for shipment first half September, 23s; September, 22s to 23s, c.i.f. Dates quiet. Hallowie, spot, 14s to 19s; Siar, 12s 6d to 16s, as to sample. Evaporated fruits: Market remains firm for all descriptions both spot and forward. Plums continue in fair request, interest also being shown in new crop, while apricots also move off steadily. Californian pears, extra choice, 85s; fancy, 97s 6d. Apricots, royals, new crop, best, 117s 6d; second, 90s 6d; third, 75s; Cape, new second grade, 80s; third, 70s. Californian peaches, choice, 62s 6d; extra choice, 65s; fancy, 70s. Plums: Californian, small sizes range from 31s to 38s; and larger, 42s to 65s. Apples: Californian, spot, sliced, extra choice, 110s cwt. Almonds firm, both spot and forward, but business checked. Apricot kernels: Indian sweet, spot, 100s; afloat, 90s, c.i.f. China, bitter, spot, 52s 6d; shipment, 56s, c.i.f. Hazel kernels: Kerasunde, spot, 87s 6d; Barcelona, 82s 6d cwt.

CANNED GOODS.

CANNED FRUITS.—A much better demand was in evidence, consumptive demand being stimulated by the spell of fine weather. Prices are firm, especially for pears, which continue in light supply. New pack prices are expected to open at a reasonable level. Singapore pines attract moderate attention, on spot, at recent rates, while interest is still lacking in forward positions. Only limited supplies of South African and Hawaiian are available. Italian tomatoes quiet, but only small spot stocks remain, so that more attention is directed to the new pack.

CANNED FISH.—Sardines steady, with improved inquiries. Portuguese clubs quoted 4s 9d to 5s. Salmon firm, supplies generally being in manageable compass, and demand improving. Red tails quoted 49s to 51s; and pink halves, 33s 6d to 35s. Lobsters maintain a fair inquiry at full rates, and halves quoted 140s to 145s. Japanese crab: Small supplies are bringing full rates, finest selling at 92s 6d to 95s. Forward positions quiet.

CANNED MEATS.—Market continues quiet, but ox tongues firm on restricted supplies. Lunch tongues steady. Danish tinned hams continue to sell readily at full rates.

CONDENSED MILK AND MILK POWDERS.—Milk: Full cream sweetened, English, spot, 45s; Dutch, 40s; July, 40s 6d; August-September, 42s 6d. Machine skimmed sweetened, English, spot, 27s 6d; Dutch, 26s; July, 26s 3d; August-September, 27s 6d; all in 5 cwt barrels. Powders: Spray, F.C., 26 per cent., 2 by 56 lb tins, prompt shipment, 94s; Spray, M.S., 1 cwt cases, 47s; Roller, F.C., 26 per cent., 80s; M.S., 38s, all nett, ex-wharf, London, duty paid. On the grocer side, F.C.S., 20s; M.S.S., 11s 6d, basis per case, usual packing.

HONEY.—Market steady, with fair inquiries. New crop Jamaica quoted 32s 6d to 47s 6d; Haiti, 31s to 47s 6d; San Domingo, 32s 6d to 47s; New Zealand, 58s to 88s per cwt, as to quality.

RUBBER.

There was a fair amount of business going on, and a firm tone predominated. Shoot, spot and July, sold, 9½d; August, 9½d; September, 9½d; October-December, 9½d; January-March, 9½d per lb. Straits shipments for the first half of the month, 12,000 tons to all parts, and a similar quantity is expected to be shipped during second half. London landings last week, 884 tons; deliveries, 1,874; stocks, 35,925, against 63,512 at same time last year, being a decline of 990 on the week.

GENERAL.

JUTE.—A quiet and lower market resulted. A fall of rather over 8,000 bales in the Hamburg stock during the past fortnight is much smaller than expected. Firsts, July-August and August-September, old crop, to Continent, quoted, £36 5s; new crop, July-August, £37 10s; August-September, £36 15s to £37 5s; October-November and November-December, £36 15s to £37 5s per ton. A dull tone rules for both Calcutta hessians and twills, and prices move downward. Bags now offering more freely in Argentine local markets, equal to 41s, c.i.f., for the 10 oz cloth. New York conditions have become very subdued of late.

REMP.—Manila and in fact, most other descriptions continue quite featureless. Spinners are not inclined to exceed pressing needs as ample supplies are in sight. Of manila: J2, August-October, quoted £36 15s; K, £30 10s; L1, £30 15s; L2 and M1, £26 10s; M2, £26 5s; £47 10s; S2, £45 10s; S3, £43. African Sisal dealt in slowly. No. 1, July-September, quoted, £33 15s to £34 10s, as to mark and No. 2, £32 10s to £33 10s. The position of Baltic Flax is quite unaltered. Manila receipts for the past week totalled 25,000 bales, compared with 20,000 at corresponding period last year; estimate for next week, 28,000, and following week, 29,000.

SHELLAC.—Market quiet but generally steady. Fair T.N., spot, 23s 6d; August, 22s; October, 21s 6d; December, 20s per cwt.

COPRA.—Business was kept down, and trend of prices favoured the

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buyer. Straits S.D., July-August, quoted £26 12s 6d; August-September, £26 13s 9d; September-October, £26 15s; Dutch East Indies, August-September, £26 10s; Ceylon, £27 17s 6d; South Sea K.D., to Marseilles, £25 12s 6d. Palm kernels, August-September, to Hamburg, sellers, £20 15s per ton.

TALLOW.—Messrs Colchesters and Woolner write on July 18th as follows:—The tallow market was firm during the week on the spot, and prices were fully maintained to-day. Buyers appear to be satisfied as to their immediate requirements, and only show interest in forward positions. Shipments of tallow from Australasia during June amounted to 2,050 tons, against 3,662 tons during the corresponding month of last year. At auction to-day 694 casks tallow were offered, and 275 were sold. Quotations are:—Australasian mutton: Fine, 43s; good to fair, 42s 6d to 40s; dull to dark, 38s 6d to 37s 6d; hard, 42s. Australian beef: Fine, none; good to fair, 41s 9d to 39s 6d; dull to dark, 37s 9d to 37s; sweet, 45s. Present shipment from Australasia—Good mixed, 41s, nominal. Present shipment from South America—41s. The market letter is unchanged. Town tallow, 37s 6d per cwt. Rough fat, per 8 lbs value, 7d; melted stuff, 27s 6d per cwt. Quotations are: Town, 37s 6d net cash, naked, ex works. Country—Frail casks, 38s; home melted, shipping casks, net f.o.b., good coloured,

40s 6d; fair to dull, 39s to 38s. Bone fat: white, none; pale, none; benzene, 33s; melted stuff, 33s, f.o.b.
MISCELLANEOUS.—Coconuts quoted 18s to 23s 6d per 100. Coir yarn, Ceylon, £18 to £28 15s; Cochin, £28 10s to £40; Ceylon bristle, £19 to £26; cinnamon leaf oil, 4d; citronella, Ceylon, 2s 2d; Java, 1s 11d.

METROPOLITAN CATTLE.—July 18.

British Beasts, per stone of 8 lbs to sink the offal. Sheep per stone.

Beasts—Norfolk	Beasts—Heavy Bulls
Irish	Canadian
Cambridge	Sheep—Downs
Short Horns	Half bred
Herefords	Ewes
Devons	Scottish
Leicester runs	Lamb—Downs

LONDON POTATO MARKETS.—July 18.

English Kidney	Per Cwt.
rounds	5 0 7 0
St Malo	5 6 6 0

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, THURSDAY.				METALS—B. Copper				SUGAR—per cwt.			
COCOA—Duty, British grown, 94 4d, foreign, 14s cwt				Best selected..... 65 10 66 15				98 per cent. polarisation..... 21 0 0			
Trinidad, 1st grade, 75 cwt				Sheets (strong)..... 61 0 0 61 10 0				B.W.L. muscovado..... 24 6 26 6			
Grenada..... 75 0 0				Standard..... 61 0 0 61 10 0				Crystallised..... 24 6 26 6			
Ceylon, plantation..... 95 0 115 0				Lead Eng. Pig per ton..... 22 0 0 22 0 0				Java, white, Calcutta..... 24 6 26 6			
Guayaquil..... 90 0 32 0				Soft Foreign..... 24 12 6 24 12 6				Do U.K. July-Sept. 13..... 0 0 0			
Bahia, finest..... 70 0 75 0				Spelter G.O.B..... 21 10 0 21 10 0				Raffia—London..... 25 0 0 0			
OFFICE—British grown, 94 4d, foreign, 14s cwt				Tin—English ingots..... 21 10 0 21 10 0				Yellow Crystals..... 25 0 0 0			
E. India, fine ord. 125				Do do bars..... 21 10 0 21 10 0				Cubes..... 29 4 29 10 0			
Do good to fine..... 110 0 168 0				Standard, cash..... 21 10 0 21 10 0				Crushed..... 28 7 27 3 0			
Costa Rica, ord. to mid. 110				OILS—Fish, per ton..... 48 0 0 48 0 0				Crushed..... 28 7 27 3 0			
Good to fine..... 165 0 184 0				Seal, pale..... 29 15 0 29 15 0				Crushed..... 28 7 27 3 0			
Central American, 1st ord.				Linseed, p. ton, naked..... 43 0 0 43 0 0				Crushed..... 28 7 27 3 0			
Mid to fine..... 115 0 125 0				Rape, refined..... 41 6 0 41 6 0				Crushed..... 28 7 27 3 0			
Foxy..... 100 0 105 0				Crude..... 41 0 0 41 0 0				Crushed..... 28 7 27 3 0			
Colombian, ordinary..... 95 0 100 0				Cotton-seed, crude..... 34 10 0 34 10 0				Crushed..... 28 7 27 3 0			
Do 2d, ord. to low mid. 105				Edible, refined..... 40 0 0 40 0 0				Crushed..... 28 7 27 3 0			
Do mid to fine..... 130 0 160 0				Coconut, crude..... 41 0 0 41 0 0				Crushed..... 28 7 27 3 0			
FRUIT				Deodorised..... 47 10 0 47 10 0				Crushed..... 28 7 27 3 0			
Oranges, Denia & Val. 300				Palm..... 24 10 0 24 10 0				Crushed..... 28 7 27 3 0			
Do..... 350				Lard, American..... 70 7 8 70 7 8				Crushed..... 28 7 27 3 0			
Do S. African boxes..... 41 41 0 41 41 0				Petroleum—Kerosene..... 0 11 0 0 11 0				Crushed..... 28 7 27 3 0			
Do Java boxes..... 144 0 0 144 0 0				White..... 0 11 0 0 11 0				Crushed..... 28 7 27 3 0			
Do Brazilian boxes..... 17 0 35 0				Oil Cakes, Linseed, Eng..... 12 0 0 12 0 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				On Seeds—Linseed..... £ s d				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				La Plata, p. ton July-Aug..... 15 10 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Bombay, p. ton July-Aug..... 18 10 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Calcutta, p. ton July-Aug..... 17 10 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				PORTLAND CEMENT—Best English				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				per ton delivered, London 53/0 55/0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Rapid hardening "Ferrocrete," 7/6				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				per ton extra				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				"Lightening" brand Aluminous Cement				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				100/- to 105/6 per ton				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				PROVISIONS				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Butter—per cwt..... £ s d				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Irish creamery..... 170 0 174 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Do factory..... 138 0 140 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Argentine..... 156 0 156 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Dutch..... 174 0 174 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				New Zealand..... 152 0 156 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Danish..... 182 0 184 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Bacon, engd.—Irish..... 104 0 114 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Danish..... 108 0 112 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Canadian..... 100 0 106 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Dutch..... 90 0 102 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Hans.—Irish..... 104 0 104 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Canadian..... 106 0 120 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				American..... 106 0 120 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Lard—Irish bladders..... 64 0 74 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				American boxes—56 lbs..... 63 0 64 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Pork—per 8 lbs..... 4 2 5 10				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Best—Frozen..... per 8 lbs 2 4 7 10				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Scotch..... 106 0 116 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Cheese—cwt.—Canadian..... 106 0 112 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				New Zealand..... 110 0 112 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Swiss..... 112 0 130 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Cheddar..... 112 0 130 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Dutch..... 54 0 92 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Eggs, per 120—English..... 12 0 16 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Irish..... 12 3 12 9				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				FLOUR—280 lbs				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				London standard ex ml..... 41 0 0 41 0 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				RICE—per cwt.				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Bangkok, No. 2..... 13 4 0 13 4 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Broken 1a..... 11 9 0 11 9 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				ROBIN—per ton				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				American..... 20 10 0 25 10 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				French..... 20 10 0 22 5 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				BAGG—Pearl, per cwt..... 25 0 27 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				SHELLAC—per cwt..... £ s d				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Orange, first marks..... 280 0 240 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Second, fair to fine..... 250 0 280 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				TN Orange..... 235 0 240 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Garnet, Lac. AG..... 230 0 235 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Butter, Lac. AG..... 245 0 250 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Blocky (TN)..... 220 0 227 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				SILK—per lb				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				China—Blue Elephant..... 14 6 0 14 6 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Camel..... 16 0 16 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Tussah..... 8 0 10 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Re-reel..... 14 6 16 6				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Japan..... 19 0 22 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Italian—Raw, fr. Milan..... 21 0 24 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				SHELLS—M.-o.-Pa. per cwt..... £ s d				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Manila, bold..... 28 0 0 31 0 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Macassar..... 7 10 0 8 3 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Sydney..... 7 10 0 12 15 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				W. Australian..... 7 10 0 13 0 0				Crushed..... 28 7 27 3 0			
Do Maracaibo boxes..... 0 0 0 0 0 0				Bomby..... 4 5 0 6 7 6				Crushed..... 28 7 27 3 0			

The Economist,

WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor
A POLITICAL, LITERARY, AND GENERAL NEWSPAPER

Vol. CVII.

SATURDAY, JULY 28, 1928.

No. 4431.

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THE MONEY MARKET.

ONCE more money has been none too plentiful, and on Wednesday rates ran up to 4½ per cent., and at one time it was feared that the market might be forced into the Bank. There is now no doubt that the Bank has regained control, and rates are not likely to slip away as they did earlier in the year. The fall in the German ex-

change to the lower gold point and the consequent purchase of gold by Germany in part accounted for the stringency, but the fundamental cause perhaps lies in the fact that the Continent is only replacing maturities, and is no longer adding to its stock of bills. The result is that brokers' own holdings are increasing, and this in turn is the cause of a keener demand for short loans. This factor is accentuated by the continued excess each week of Treasury bill issues over maturities.

In the absence of any special demand for bills, market rate ranged around $4\frac{1}{2}$ per cent. for three months' bills, while shorter dates changed hands at 4 per cent. The Continent was ready to take "hot" Treasuries, and in general French policy seems to be to maintain London balances, but to keep them as liquid as possible. In other words, while there is no suggestion of any withdrawals, the French banks clearly wish to retain complete liberty of action.

	July 26, 1928.	July 19, 1928.	July 12, 1928.	July 5, 1928.	Previous Rate and Date Changed.
Bank Rate	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	5 (Apl. 21, '27)
Banks' Deposit Rate	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	3 (Apl. 21, '27)
Discount (Call)	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	3 (Apl. 21, '27)
Houses (Notice)	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	3 (Apl. 21, '27)
Market rate (3 months' bills) ..	$4\frac{1}{2}$	$4\frac{1}{2}$	4	$3\frac{1}{2}$	..

The Bank return reveals an increase of £76,478 in the stock of coin and bullion. As Circulation rose by £124,790, the Reserve was reduced by £48,312. Owing to a reduction of £5,005,597 in liabilities, the Proportion has risen by 2 per cent. to $50\frac{3}{4}$ per cent. Public deposits were reduced by £4,851,477, and Other deposits by £154,120. Government securities were reduced by £3,110,000, and Other securities by £1,822,363. Currency notes outstanding were reduced this week by £1,964,600 to £295,123,900, which includes £1,251,400 for notes called in but not yet cancelled. The fiduciary issue is £237,622,500, or £7,312,600 below the maximum.

NEW YORK MARKETS.

Our New York correspondent cables: The share market has been gaining moderate strength and activity, partly on a partial renewal of professional operations, and partly on easier call money. The tone of the money market generally, however, is firmer, with time money at 6 per cent. and the rate for bills higher by one-fourth per cent. The Federal Reserve statements show only minor changes in the system. Discounts have increased by \$14,000,000, reserves by \$5,000,000, while brokers' loans show a reduction of \$10,000,000, which is approximately in accordance with expectation. Steel production has increased slightly and approximates to 70 per cent. of capacity. Railway loadings are slightly above last year's level. Crop prospects are good, and satisfactory autumn business is looked for.

THE STOCK MARKETS.

The opening of a three weeks' Account, which will include August Bank Holiday, was accompanied by a further contraction of Stock Exchange business. Gilt-edged stocks were less steady, and home rails dull in anticipation of the interim dividend announcements. A certain weakness was noticeable in some of the speculative industrial markets, particularly in cement and artificial silk shares, though conditions later became more stabilised. More interest was taken in rubber and tea shares, and the mining market was slightly more active, but oil shares were dull in tone. The week's new issues, though still heavy, showed some signs of the approaching holiday season. The Sao Paulo and Dublin Corporation offers were largely over-subscribed, and the lists, *inter alia*, of Savoy Gramophone Records were early closed.

THE COMMODITY MARKETS.

Wheat was again cheaper on good crop reports. The coal trade remains depressed, South Wales reporting frequent day-to-day stoppages, and Sheffield stating that

more pits are closing down. Production has only been partially resumed in Lanarkshire after the holidays. Middlesbrough reports no improvement in the iron and steel trade, but the outlook at Sheffield is perhaps a trifle more hopeful. Demand for tinplates is now being restricted by seasonal influences. The London tin market is firmer, but copper is quiet and weak. Raw cotton prices have relapsed on better weather news, and demand for piece-goods at Manchester has been affected by this decline. Home trade is a little better, and a few orders have been received from China, but otherwise business remains dull. There is no sign of a revival in the Bradford wool industry, but present indications from Australia are in favour of stable raw material prices for the rest of the year. Hide prices have an upward tendency, and tanners are adopting a firm attitude. The boot and shoe trade remains quiet. Vegetable oil prices have relapsed, while demand for rubber is on a fair scale at unchanged prices.

FOREIGN EXCHANGES.

The Foreign Exchange market was again on the dull side last week, the feature being the weakness of sterling against all the exchanges, and the sharp recovery in the franc, the reichsmark and the Canadian dollar. New York last Thursday stood at $4.85\frac{1}{2}$, after opening at $4.86\frac{1}{2}$ on the 20th. Forward dollars were at discounts of $\frac{3}{4}$ cent for one month, against $\frac{1}{2}$ cent last week, and $\frac{3}{4}$ cent for three months, against $\frac{5}{8}$ cent last week. Montreal made a sharp recovery from $4.88\frac{3}{4}$ to $4.86\frac{1}{2}$, forwards being quoted about par for both periods, as against premiums of $\frac{1}{4}$ cent and $\frac{3}{4}$ cent last week. Paris went steadily against this country, and improved from 124.23 to 124.05, forward quotations being about par for one month, as against a premium of 7 centimes last week, and at a premium of 5 centimes for three months as against one of 18 centimes last week. Brussels improved from 34.92 to 34.90, forward discounts being narrower at $1\frac{1}{2}$ centimes and $3\frac{1}{2}$ centimes for the two periods respectively. Milan spot was virtually unchanged at 92.83. Forwards were quoted at narrowed discounts of 7 and 20 centesimi for the two periods respectively. Madrid showed no change on balance, spot or forward, after some hesitation. Berlin made a sharp recovery from 20.38 to 20.34, owing to a heavy German demand for reichsmarks, and Amsterdam went from 12.08 to 12.07. Geneva improved from 25.26 to 25.23, but Oslo was fractionally weaker on balance at 18.19 on Thursday. Forward guilders were rather more sought at discounts of $\frac{7}{8}$ cent and $1\frac{1}{2}$ cents for the two periods, but forward reichsmarks were on offer at wider discounts of 5 pfennigs as against 3 pfennigs last week, and 11 pfennigs against 9 for the two periods respectively. The South American exchanges were steady and unchanged throughout. In the Far East the rupee was firm at 15 29-32, a gain of 1-64d on the week, but the yen fell away by $\frac{1}{2}$ d to 15 10 17-32d. The silver market was quiet and dull, with little business, but prices advanced for spot by $\frac{1}{2}$ d, and for forward by $\frac{1}{4}$ d on some India and China buying. The Chinese silver exchanges improved in sympathy, Hongkong gaining $\frac{1}{2}$ at 2s 0 $\frac{1}{2}$ d and Shanghai $\frac{3}{4}$ d at 2s 8 $\frac{1}{2}$ d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended July 21, 1928:—

EXPENDITURE.	(000's omitted.)	RECEIPTS.	£
Supply Services	9,400	From Revenue	12,930
Interest, &c., on Debt	911		
Sinking Fund	515		
Grants	230		
Reduction of Debt	1,838		
Increase in Balances	36		
	12,930		12,930

Revenue for the week amounted to £12,930,000, against £16,688,300 for the corresponding period a year ago. The decline in receipts from Property and Income-tax was the chief cause of the decline in revenue, amounting, as they did, to £1,950,000, against £4,131,000 in the corresponding week a year ago. Super-tax receipts were lower at £290,000, against £400,000. Estate, &c., duties yielded £1,300,000, against £1,440,000. Customs receipts amounted to £1,829,000, against £2,939,000, and Excise yielded £6,630,000, against £6,471,000.

The national debt was reduced by £1,838,000, as shown below:—

	(000's omitted.)	£
Public Department Advances	1,450	
National Savings Certificates	50	
Other Debt	3,341	
	4,841	
Treasury Bills		3,003
		3,003

The floating debt was increased by £1,560,000 to £759,320,000.

FINANCIAL YEAR, 1928-29, April 1 to July 21, 1928.

	£	Revenue	£
Expenditure	243,379,997	162,155,846	
		Amount borrowed ..	77,701,055
		Decrease in balances ..	3,523,096
	243,379,997	Total	243,379,997

ESTIMATES (New Basis), 1928-29.

	£	Revenue	£
Expenditure	676,581,000	*756,083,000	
Sinking Fund	65,000,000		
Surplus	14,502,000		
	756,083,000		756,083,000

* Includes £13,200,000 from Currency Notes Assets.

SELF-BALANCING REVENUE AND EXPENDITURE.

	£
Post Office	57,314,000
Road Fund	21,300,000
	78,614,000

The surplus of £4,239,000 for 1927-28 is carried forward.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Standard Bank of South Africa, Mercantile and General Insurance, Eastern Telegraph, Eastern Extension—Australasia and China—Telegraph, Furness Withy and Co., Zinc Corporation, Bertram Consolidated Rubber, British Metallising, Thomas De La Rue, Amalgamated Wallpaper Mills, Union Cold Storage, Tanganyika Concessions, and Zambesia Exploring. The Standard Bank of South Africa meeting is dealt with in a "Note of the Week," while reference to the Eastern Telegraph, the Eastern Extension, and Union Cold Storage will be found in the Stock Exchange section of this issue. At the statutory meeting of the British Metallising Company the commercial possibilities of the application of a metallic covering to non-metal and base materials obtained detailed description from the chairman. An informative review of insurance conditions was given at the meeting of the Mercantile and General.

The attention of our readers is drawn to a rearrangement of the matter appearing in THE ECONOMIST. Articles and notes of the week dealing with investment topics and company reports, a review of the markets, latest quotations of active securities, comments on new issues, and other news of special interest to investors have been grouped together under the general heading of "The Stock Exchange." This section commences in the present issue on page 184.

MONTHLY TRADE SUPPLEMENT.

We publish this week our Monthly Supplement, in which will be found an appreciation of the trade situation at home and abroad, together with statistical information on the foreign trade, price movements, currency, and production of the leading commercial countries of the world. Its contents include an index of electricity production, and a series of indices of British trade activity.

THE GOVERNMENT AND UNEMPLOYMENT.

ALTHOUGH he put his point in somewhat alarmist terms, Mr Ramsay MacDonald, in opening the vote of censure debate in the House of Commons last Tuesday, was perfectly right in saying that the recent increase in the number of registered unemployed had reawakened serious public misgiving. The hope so long entertained that our large mass of unemployment would prove to be a temporary phenomenon seemed this year about to be fulfilled at last. But the fact that at a time when the currency chaos in Europe has largely disappeared and the disproportion be-

tween British and foreign prices is beginning to narrow, the numbers of unemployed have risen from 1,032,000 a year ago to 1,239,000 at the end of June, 1928, has strengthened the growing feeling that we must take a more serious view of the situation. This opinion, which was set out in the Liberal Industrial Report at the beginning of the year, is frankly adopted in the report of the Industrial Transference Board, which was issued at the beginning of the week. Sir Warren Fisher, Sir John Cadman, and Sir David Shackleton "have accepted as a fact the existence of a problem of surplus labour in certain industries, requiring to be dealt with by transfer." In other words, in a considerable degree our present unemployment cannot be regarded as the result of a particularly serious example of a trade cycle of the old-fashioned type which would ultimately give place to "normal" conditions and the bulk of the unemployed be re-absorbed into their existing trades. On the contrary, the Board accepted the figure of the Liberal inquiry of at least 200,000 surplus miners who cannot expect to be re-absorbed in mining, and add that in addition there are some 100,000 unemployed in shipbuilding, iron and steel and heavy engineering few of whom can expect to get back to their old employment. The Board add that there may be a similar problem in the textile industries; but clearly the problem in this case is of much smaller dimensions, owing to the fact that, whereas the numbers employed in the other industries referred to were greatly inflated during and since the war, the numbers in the cotton industry were cut down as severely as possible between 1914 and 1918.

The existence of this surplus is due firstly to the fact that while mining and the heavy industries must continue to play a great rôle in our national life, the balance between them and other industries and occupations has been greatly changed by the events of the last decade. The second is that with a relatively smaller rôle to play, these industries have also to go through a drastic process of modernisation and reconstruction the result of which must be to economise labour. This conclusion does not by any means imply that these workpeople will never be employed again, or that their transfer to other districts or occupations will merely create unemployment elsewhere. As the Board points out, the volume of employment is an elastic and changing quantity, and as soon as a man is set to work his output enables him to demand the product of others. The absorption of the unemployed depends upon the constant progress of economic development, a process which in Great Britain has been going on in recent years at a substantial rate. Among a series of index numbers of various aspects of national production which are contained in our usual Monthly Trade Supplement, our readers will find that the volume of employment in miscellaneous occupations and in general industry has risen in the last four years—in spite of the coal dispute—by more than 2 per cent. a year. Interesting confirmation of this figure is given in a new index which we publish this month for the first time of the sales of postage stamps, which after making all proper adjustments have increased by nearly $2\frac{1}{2}$ per cent. a year since 1924. As there is no reason to suppose that ordinary folk write letters more than they did four years ago, these figures (which, however, show a definite setback during the last three months) unquestionably reflect the steady expansion of general economic activity at something like this rate.

The process of transferring labour is, however, a very slow one if left to itself. Large numbers of the surplus workpeople live in districts where there is no alternative employment, and the Board develop at length the need for expediting in every possible way a process which is retarded by the housing problem, lack of qualifications for a new career and natural conservatism. The process of adaptation is no new one, but has been going on for generations. The new feature is the scale on which it must take place. The Board consequently recommends that the State should definitely facilitate transfer through its system of Labour Exchanges, and that if people cannot afford to move themselves and their families, or have not the means to tide over the period until their wages are due, they should be assisted by means of loans. Further, the possibility of absorbing young men and juveniles in new directions should be improved by training wherever

possible. The Board, however, does not consider that these steps in themselves will alone create the necessary impetus, and a great deal of their Report is devoted to an appeal to all sections of the community, "both as a human duty and as an act of wise policy" to offer every possible chance of employment to the workpeople from the distressed areas. They point out that some of the best human material in the country is available, and that the great bulk of workpeople passionately desire work. As regards other measures, the Board do not consider that special works should be instituted or that much is to be hoped for by settling the unemployed on the land in small holdings. They consider, however, that some of the older men might be settled on the land in connection with afforestation. They then devote considerable time to considering emigration, and emphasise the fact that since the war, in spite of all efforts, the migration of workpeople in the Empire has been disappointingly small.

These recommendations follow sound lines. Our only criticism is that in view of the dimensions of the problem it is doubtful whether it can adequately be dealt with without initiating special undertakings, such as the making of roads, harbours and docks, the regional planning of great towns, expediting electrical development, &c. The workpeople of the heavy industries are particularly suited for this class of work, and the Government might well note that Germany and other countries have found it in the long run worth while to set men to work on such undertakings when they have had a large surplus of unemployed.

The Government have substantially adopted the Board's recommendations in regard to advancing money for transfer and developing training centres. They also accept the recommendation with regard to afforestation settlement. A new effort is also to be made to facilitate migration by the visit of Lord Lovat to the Dominions in the hope of carrying a stage further the suggestions first discussed by Mr Amery with various Dominion Governments during his recent world tour. But the Government have taken two further steps. The first is the decision to continue the Export Credits Guarantee Scheme for a further two years. The second and more important is that they have decided to expedite a portion of the Rating Relief Scheme. The derating of railways at a cost of £4 million, which our readers will remember is largely to be passed on to the mining and heavy industries in the form of reduced freights, is to take effect as from December 1st next, and arrangements are to be made by which the freight reductions resulting from this scheme shall be limited to export coal and coal for iron and steel works. Thus the Government has yielded to pressure to hasten the operation of this relief. But it may be said that in doing so it has contrived to convert the scheme into an export bounty. We are not, however, disposed to cavil at the scheme on this ground. Pending a fuller measure of rating relief, the whole of the export districts are to-day being penalised by exceptional burdens, and their costs unduly inflated through a continued surplus of plant and a large volume of unemployed labour which has to be supported either by the device of spreading out work or through insurance or poor relief. Our foreign competitors cannot complain if these burdens are lifted. If anyone has cause for complaint, it is the home consumer of coal, who will still have to pay for his coal at inflated costs.

These plans are all in the right direction, and though great results are hardly to be expected from modest beginnings, they should hasten the process of gradually eliminating the solid mass of unemployment which is hampering our economic progress. But if these positive schemes are to be welcomed, we are no less gratified that the events of the week have, for the present, at all events, defeated the efforts of those who had tried to push the Government into the suicidal policy of trying to remedy unemployment by a general tariff. On Monday a deputation of Conservative members of Parliament which urged the Government to take immediate steps for the "safeguarding" of the iron and steel trade was met with a definite refusal. It is true that the President of the Board of Trade declared at the week-end that the Government intended to continue and develop its "safeguarding" policy. But this is not to cover iron and

steel. Indeed, no self-respecting government could contemplate using, in a case such as that of iron and steel, our present hole and corner safeguarding procedure, with its committees of three non-experts working in water-tight compartments. No Safeguarding Committee has yet seriously attempted to examine the effect of a high tariff for an important industry in its reactions on the whole economic life of the country. That is clearly the task of a first-class Tariff Commission. But the matter is more far-reaching than one of mere procedure. What ever may be said for giving a special stimulus—at the expense of the general body of consumers—to this or that minor industry, no one has been able to make out even a tolerable case that a tariff can help our export industries. Indeed, in the particular case of iron and steel, one of the troubles at the moment is that even at the present level of prices the consumption in the home market is depressed. We cannot cure that or reconquer export markets by raising prices. All the arguments of the protectionists break on this fundamental fact that we can only restore these great trades by reviving the export not only of their own products, but of products of which they supply the raw material. We heartily welcome Mr Churchill's frank and courageous declaration of these fundamental truths. Mr Churchill is anxious not to be considered doctrinaire and to leave himself free to make small experiments; but his conclusion is very clear. After pointing out that we are by far the greatest exporting nation of manufacturers in the world, he made the significant declaration that "we ought not to contemplate any fundamental reversal of the fiscal system upon which the whole industrial and economic structure of this country is erected, and with which it is profoundly interwoven." We do not always find ourselves in full agreement with the Chancellor of the Exchequer. But in this matter, if the Government will stand fast to this declaration, it will be following the path of wisdom.

THE EVOLUTION OF THE COLONIAL EMPIRE.

THE recent debate on the Colonial Office vote in the House of Commons and the publication of the report of the Special Commission on the Ceylon Constitution* are timely reminders that, while the Dominions have been evolving out of the Colonial Empire into a separate entity called the British Commonwealth of Nations, the remainder of the Colonial Empire is something much more than a collection of miscellaneous trophies of successful wars.

Though the Crown Colonies and Protectorates are scattered round the circumference of the globe, they mainly lie in the Tropics, and this fact implies that their peoples—widely sundered though they are in locality, race and state of civilisation—are nevertheless confronted by certain common material problems which can be dealt with best by concerted action. The separation of the Dominions Office from the Colonial Office is now making it possible to reorganise the Colonial Office itself into something which may be not so much an instrument of bureaucratic government by the "Mother Country" as a kind of joint secretariat of the Colonies themselves for co-operative work. In the interesting statement which he made in the House last week, Mr Amery announced the steps which were being taken "to make the Colonial Office an effective G.H.Q. for the development of the Empire" through agricultural and veterinary research. The economic possibilities opened up to tropical countries in the twentieth century are undoubtedly great, and the British Colonial Empire, in the aggregate, constitutes so large a fraction of the Tropics that co-operative expert work on its economic development may make a notable contribution to the general material well-being of mankind.

There is possibly some danger, however, that the glamour of this great material enterprise, and the impressiveness of the results which can be attained in this

domain, may unduly divert attention from the human side of the problem; and, if that were to happen, economic enterprise would stultify itself, since economic development has not only its *raison d'être*, but its *primum mobile* in "the human factor." This truth is especially important in Tropical Africa, where it is now becoming widely recognised that the limiting factor upon production is the supply of native labour, and that, on a long view, that supply can only be assured if it is freely given by an increasing native population which feels that its own and the White Man's economic interests are not contrary to one another. This is the proper point of view from which to judge the new Native Lands Ordinance in Kenya, which was the chief concrete matter raised in the debate. The critics of the ordinance were not satisfied that rights given to the native under this ordinance with one hand might not be taken from him with the other, and this was a point which Mr Amery, in his reply, did not altogether succeed in clearing up. It may be that, in the nature of the case, the ordinance can only be judged in the working; but its working must be watched very closely, for the history of the land in Kenya is one of the least creditable chapters in the whole history of the Colonial Empire during the last thirty years. For the moment we can do no more than remind ourselves that the social and political factors govern the economic factor, and not *vice versa*, and that the crux of our social and political problem in the Colonial Empire lies in those territories where natives of the Tropics and European settlers are living and working permanently side by side.

Fortunately, these "dual" territories are at present in the nature of the case restricted to regions enjoying special climatic conditions, the most noteworthy of these being that chain of highland enclaves which runs up the eastern flank of Africa from the Transvaal to Abyssinia. These highlands, which constitute a line of possible stepping stones for European colonisation, from one edge of the tropical belt to the other, are largely situated in the possessions, protectorates and mandated territories of the British Empire. Yet, even in the aggregate, they account for no more than a very small fraction of the Colonial Empire; and though we must reckon with an extension of the field for European settlement in the tropics in the future, as tropical medicine advances, and as the relative importance of tropical production increases in the general economic life of the world, we are justified for the present in regarding these areas where Europeans as well as natives of the tropics can make themselves permanently at home as exceptional cases to be dealt with by exceptional measures. For the present, the typical territory of the British Colonial Empire is one in which the European is a pilgrim and a sojourner—an official, a technician, a business man or a planter, who sends his children back to Europe to be brought up and who looks forward to retiring to Europe himself in his old age, instead of seeking to inherit the land and to bequeath it to his children's children. It is evident that the interests of a "floating" European population of this kind are comparatively easy to adjust to the interests of the native communities, because they are strictly limited and readily defined. The two communities, though they are living in the same country, are living, so to speak, on different planes—the European being in the country but not of it. In these circumstances there is less danger that "the human factor" represented by the native population will be ignored; and it is certainly not ignored in the Report of the Special Commission on the Ceylon Constitution to which we have referred above.

A perusal of this report, in the light of reports or debates on the problems of Kenya or South Africa, leaves on the reader's mind certain general impressions. In the first place, the authors of the report start from "the human end." Instead of seeing "men as trees walking," they see rubber, tea, coconut and cacao as commodities subsidiary to the well-being of the Ceylonese people. If it is submitted that, after all, the terms of reference of the Commission were specifically political, we would point out, by way of contrast, that in the East African Highlands, even political questions, such as federation or the fran-

chise, are apt to be discussed in economic terms, with the native population translated into economic language as "the labour supply." The second general impression made by this Report on Ceylon is that the psychological atmosphere there is not unduly tense. Neither the members of the Commission nor the witnesses whom they interrogated seem to have that feeling—prevalent in Eastern Africa as in Eastern Europe—that the whole situation is so dangerous that, when in doubt, it is safer not to move. On the contrary, the Commission evidently feel that in Ceylon there is a sufficient margin of safety to justify "living dangerously." There is a refreshing open-mindedness about their review of existing conditions and their proposals for improving them. They are not hypnotised by the traditional forms of political practice either in the colonial administration of Ceylon or in the parliamentary government of "the mother-country." On the other hand they are keenly on the look-out for inspirations and warnings from contemporary political phenomena all over the world. They support their novel proposals for a State Council by reference to the working of the Assembly of the League of Nations; they reject the idea of introducing proportional representation into Ceylon by reference to the practical conditions which it has been found to involve in Germany since the war. The main postulates from which they start are that Ceylon is a country with a specific historical past of its own; that Ceylon is now on the road towards self-government in virtue of its membership in the British Empire; and that the art of self-government can only be learnt by taking political responsibility. But they are careful throughout to avoid the further postulate that the goal in Ceylon is a constitution modelled on that of the United Kingdom. This further postulate, of course, readily suggests itself to British investigators making recommendations for a British colony; and it has often been the governing factor in previous political experiments in this or that part of the Colonial Empire. The deliberate refusal to adopt this postulate is the most original feature in the present Report, and it is a feature which may make the Report a landmark in the constitutional development of the Colonial Empire as a whole.

The most striking proposals are that "complete control over the internal affairs of the island" should be transferred to the elected representatives of the people; that there should be a State Council which would sit in executive as well as in legislative session—organising itself, for the former purpose, into seven standing committees; that the chairmen of these committees, together with three officers of State, who would be *ex-officio* members of Council, should constitute a ministerial board "with ultimate collective responsibility"; that the three officers of State (hitherto, under the Governor, the chief executive authorities in the island) should become "legal advisers rather than executive officers"; that the franchise should be extended (without property, income or literary qualifications) to all men over 21 years of age and to all women over 30 years of age who apply to be registered as electors and have resided in the island for at least five years; that the only additional qualification for election to the State Council should be a knowledge of English; that communal representation should be abolished and the Council be composed of 65 members elected for territorial constituencies, the three *ex-officio* members, and members nominated by the Governor up to a maximum of 12, "if the Governor should consider the nomination of such members necessary to make the Council more representative"; that the Civil and Public Services should not be "a reserved subject" (the introduction of "Dyarchy" is deprecated), but that the security of the services should be safeguarded by giving to the Secretary of State in Whitehall the last word in regard to emoluments and to the ratio of recruitment of Europeans and Ceylonese, and by sending out from Great Britain an independent Salaries Commission.

It will be seen from this brief review that the Commission's recommendations are original and even daring, but the names of the Commissioners are a guarantee that these recommendations are not unsupported by practical experience of the art of government in the Tropics, and a perusal of the body of the Report will show how ably each recommendation is reasoned.

* Parliamentary Paper. Cmd. 3,131 of 1928.

WORLD MERCHANT SHIPPING.

THE effects of the shipbuilding activity which followed the settlement at the end of 1926 in the British coalmining industry are clearly to be seen in the statistical tables of tonnage included in the new edition, issued this week, of Lloyd's Register Book. As a result, partly of heavier launchings, partly of reduced breaking-up of vessels, the total tonnage owned in the world increased during the twelve months ended June 30, 1928, by 1,761,749 gross tons, as compared with an increase of only 408,540 tons recorded a year ago. The following table summarises the changes in the tonnage owned in Great Britain and Ireland and in the world during the past five years and in three decades from 1894 to 1924:—

WORLD FLEET. (Million Gross Tons.)

Year.	Great Britain & Ireland.			World.		
	Steam & Motor.	Sail.	Total.	Steam & Motor.	Sail.	Total.
1894.....	9.3	2.5	11.8	16.0	8.5	24.5
1904.....	14.0	1.4	15.4	28.6	6.2	34.8
1914.....	18.9	0.4	19.3	45.4	3.7	49.1
1924.....	19.0	0.1	19.1	61.5	2.5	64.0
1925.....	19.3	0.1	19.4	62.4	2.2	64.6
1926.....	19.3	0.1	19.4	62.7	2.1	64.8
1927.....	19.2	0.1	19.3	62.3	1.9	65.2
1928.....	19.8	0.1	19.9	65.2	1.8	67.0

Since 1924, it will be observed, British steam and motor tonnage has increased by 800,000 gross tons, or 4.2 per cent. This expansion, three-fourths of which is accounted for by the addition of 566,328 gross tons in the last twelve months, compares with an average annual increment of 3.5 per cent. in the decade immediately preceding the war. Turning to the world figures, we find that the net increase in total tonnage in the past five years amounts to 4.7 per cent., against an annual increase of 4.1 per cent. between 1904 and 1914, while the tonnage of steam and motor shipping has expanded since 1924 by 6 per cent., or only fractionally more than the average annual expansion in the pre-war decade. In 1924, it will be noted, the British proportion of total tonnage afloat was 29.9 per cent., against 39.2 per cent. in 1914, and to-day is 29.8 per cent. Excluding sailing vessels—now reduced to a figure representing under 2.7 per cent. of the world's total tonnage—we find that in 1914 there was owned in Great Britain and Ireland 41.6 per cent. of the world's steam and motor tonnage; that the great increase in the tonnage owned abroad during the next decade reduced this percentage to 30.9 in 1924; and that the British proportion in 1928 is 30.3 per cent., as compared with 29.5 per cent. a year ago.

In the next table we show the progress in detail of the chief national ownerships during the past four years, the 1914 figure being added in each case for purposes of comparison. The tonnage of sailing vessels, wood and composite steamers, and of the American and Canadian lake fleets, is excluded throughout in order to illustrate more clearly the development of the various countries' merchant marines measured in terms of steel and iron steam and motor shipping having access to the sea:—

STEEL AND IRON STEAM AND MOTOR SHIPS, excluding Lake Tonnage. (Million Gross Tons.)

Country.	1914.	1924.	1925.	1926.	1927.	1928.
Great Britain and Ireland..	18.9	18.9	19.3	19.2	19.2	19.7
British Dominions	1.4	2.2	2.2	2.3	2.3	2.4
U.S.A.	1.8	11.8	11.6	11.1	10.9	10.9
Italy	(a) 2.5	2.7	2.9	3.1	3.4	3.3
Germany	5.1	2.9	3.0	3.0	3.3	3.7
France	1.9	3.2	3.3	3.3	3.4	3.3
Holland	1.5	2.5	2.6	2.6	2.6	2.8
Scandinavia (b)	3.7	4.4	4.8	5.0	5.1	5.4
Japan	1.6	3.7	3.7	3.8	3.9	4.0
Others	4.1	5.2	5.4	5.7	5.5	6.1
World total	42.5	57.5	58.8	59.1	59.6	61.6

(a) Includes Austrian tonnage. (b) Combined fleet of Norway, Sweden and Denmark.

Of the tonnage as classified in the foregoing table, 44.5 per cent. belonged in 1914 to Great Britain and Ireland,

whereas to-day the British proportion is only 32 per cent. It will be observed that during the past twelve months the British fleet shows the largest increase. The next largest expansion is registered by Germany, whose tonnage, however, is still 1,400,000 tons less than in 1914. Scandinavian and Dutch shipping has also increased appreciably in the past twelve months, but the French and Italian merchant fleets both show a small decline. The result of the temporary cessation last year of tonnage "scrapping" in the United States is to be seen in the maintenance of the figure of American-owned tonnage at last year's level. Comparing 1928 with 1924, the most noteworthy increases are shown by Great Britain, with a net addition of 800,000 tons, Germany with the same tonnage increment, and the Scandinavian group with an expansion aggregating 1,000,000 tons.

Superficially regarded, the fall in the proportion of British-owned to total tonnage, as compared with the position fourteen years ago, might be taken as evidence of impaired competitive power of British shipping. It must be borne in mind, however, that Lloyd's Register includes in its returns the tonnage of all vessels, whether in commission or laid up. Not less than 4 million tons of American shipping can be deducted from the world total as incapable, under normal conditions, of competing effectively in the freight market, while a high proportion of the tonnage belonging to the lesser maritime nations is approaching demise through obsolescence. Of the tonnage owned in Great Britain and Ireland 22.7 per cent. is less than five years old. The only country which has a larger proportion of new tonnage is Norway, with 23.6 per cent. Germany also has a high proportion—21.8 per cent.—but Italy has only 16 per cent., France, Greece, Spain and Japan have less than 10 per cent., and of the United States sea-going vessels less than 3 per cent. were launched later than 1923. The following table indicates the remarkable growth in foreign ownerships during the past five years of tonnage 25 years old and over, and the steadily improving ratio of British-owned to total "new" tonnage:—

Old and New Tonnage, Excluding Sail. (Million Tons Gross.)

Year.	Under 5 Years Old.		25 Years Old and Over.	
	British.	World.	British.	World.
June, 1923	5.57	21.93	1.56	7.42
" 1924	4.95	16.56	1.62	7.77
" 1925	4.92	13.09	1.65	8.25
" 1926	4.55	10.40	1.68	8.81
" 1927	3.95	8.89	1.75	9.50
" 1928	4.48	9.69	1.74	10.05

Five years ago Great Britain possessed little more than 25 per cent. of the total tonnage under five years old; to-day over 46 per cent. of the total "new" tonnage is British owned. At the other end of the scale the percentage of the British mercantile marine built in 1903 or earlier is 8.8, as compared with 15.4 per cent. for the world total. Moreover, not only has the British merchant fleet—50 per cent. of which is less than ten years old—a relatively high efficiency from the point of view of age, but the British proportion of the larger ocean-going tonnage available for general cargo and passenger carrying in international trade is found to be substantially higher than the British-owned percentage of the gross total of all tonnage. When the tonnage of tugs and smooth-water craft, fishing vessels, oil tankers, vessels of less than 5,000 tons gross, and vessels 25 years old and over is deducted, we find that the position of the various merchant fleets, measured thus in terms of most efficient ocean-going tonnage, is as follows:—

	Tonnage Owned (Millions).	Per Cent. of Total.
Great Britain and Ireland	9.7	38.1
United States	5.5	21.5
Germany	1.8	7.2
Italy	1.6	6.2
Holland	1.5	6.0
Others	5.4	21.4
Total	25.5	100

Since probably 1,500,000 tons of the United States tonnage included in the foregoing table should be regarded as permanently incapable of being competitively operated,

the British proportion of "effective" ocean-going tonnage, as defined above, exceeds 40 per cent.

Unfortunately for the shipbuilding industry, it is clear from the present depression in freights that the net addition since last summer of nearly 2 million gross tons to the world's supply of tonnage (even though 700,000 tons of the increase represent new oil tankers) has proved to be too much for the market to absorb without a temporary "glut." A contributory factor increasing shipowners' difficulties has been the check which occurred during 1927 in the rate of "scrapping" obsolete tonnage. Last year only 403,000 tons were broken up, as compared with 799,000 tons in 1926, 653,000 tons in 1925, and 1,174,000 tons in 1924. Coupled with the increase in foreign-owned tonnage 25 years old and in tonnage belonging to the lesser maritime nations, this decline in the rate of breaking up would seem to be a reflection of the policy—pursued by British shipowners without much regard for the consequences—of selling old tonnage, for replacement, to foreign owners whose lower wage bills enable them to operate vessels thus cheaply acquired at a small profit, despite their age and mechanical inefficiency. The Greek merchant marine, for example, now consists of 1,187,000 tons of shipping, of which 541,000 tons were built before 1903, and 865,000 tons are 20 years old and over.

Under these circumstances, with continuous excess of tonnage depressing the freight market, it is interesting to note from the current Register Book that, in their endeavours to find the most economical methods of ship-propulsion, shipowners are more and more turning away from the reciprocating steam-engine. During the past twelve months the tonnage of vessels fitted with this type of machinery has increased by only 280,000 tons, as compared with increases of 453,000 tons in turbine-driven vessels and of 1,161,000 tons in motorships. The total motorship tonnage in the world, excluding auxiliary vessels, now amounts to 5,153,000 tons, against 2,403,000 tons three years ago. Of this total—which includes 573,000 tons of ships of 10,000 tons size and upwards—the proportion owned in this country is 29.7 per cent. The tonnage fitted for coal burning shows this year a further decline, and is now only 60.7 per cent. of the total, against 88.8 per cent. in 1914.

IRON AND STEEL AND SAFEGUARDING.

This week's unsuccessful attempt to persuade the Government to "safeguard" the iron and steel industry lends a topical interest to the following survey by a correspondent of the current situation in the trade. In our view, the writer understates his case, for we think it can be shown that a very much larger proportion of our production than he assumes is ultimately exported in the shape of finished goods.

In the continued efforts of the iron and steel industries, or, more accurately, certain sections of them, to get themselves "safeguarded" from foreign imports, great use is made of the high level of our imports of iron and steel, the damage, it is alleged, these do to our own blast furnaces and steel works, and the consequent reduced demand for coal for inland consumption.

The usual form of the argument is to take the quantity of iron and steel imported, assume that this could and would be manufactured here, and calculate how much ore and coal would be needed and how many more workers would be employed. The fact that the consumer of the imported material would have to pay a higher price if he were restricted to British products is usually ignored, but when it is mentioned, it is dealt with summarily by a general statement that by increased production the price of home material would soon be no higher than the imported. The question "How is the increased production to be got from the industries (already depressed), at present using the imported material, if the price is raised even for a time?" is rarely mentioned and never answered.

Imports in 1926 averaged 312,000 tons per month and in 1927 367,000 tons per month, but throughout 1927 there was an almost continuous drop month by month, the average per month from January to June being

428,000, from July to December 306,000. The January quantity was 555,000 tons, the December quantity 280,000 tons, just about one-half. The decline in imports has continued in 1928. The January quantity was 284,000 tons and the June quantity 210,000—a drop of 74,000 tons, and the average monthly quantity January to June, 1928, is 257,000 tons, against 306,000 tons per month for the previous half-year, and 428,000 tons for the first half of 1927. The June figure of 210,000 tons is 24,000 tons higher than the average monthly quantity in 1913.

In pig-iron the decline has been even more startling. In January, 1927, imports of pig-iron reached the colossal figure of 96,000 tons; this was halved in June, and in December the quantity was only 17,000 tons. In January, 1928, the figure was under 16,000 tons, and in June only 6,000 tons, against an average monthly quantity in 1913 of 15,400 tons. The average monthly quantities for the three six monthly periods were:—January-June, 1927, 66,000 tons; July-December, 1927, 30,000 tons; January-June, 1928, 11,000 tons. The marked drop has been due partly, of course, to the inflated imports in 1926 and early 1927, resulting from the coal strike, but to a considerable extent to a rise in prices on the Continent. In recent months it has been noted over and over again in market reports from the Midlands, and even from some points on the coast, that Continental prices showed no advantage over the figures quoted by home manufacturers, and that British works were getting what business was available.

It would seem that this large drop in imports provides the advocates of safeguarding with an opportunity of testing their theories and of ascertaining whether the shutting out of foreign iron and steel imports would necessarily be followed by increased home production, employment, exports, and consumption of coal. If the falling off in the imports of pig-iron and iron and steel generally had been followed by increased production in this country, then "Safeguarders" might well be tempted to argue that still more drastic restriction in imports would be followed by still further expansion in our home trade. More than one advocate of "Safeguarding" has spoken of the benefits which would follow cutting down our imports by half. Actually in pig-iron the cut has been in the first six months of 1928 to about one-sixth of the figures for January to June, 1927. In iron and steel the drop is to 60 per cent. of the 1927 figures—approximately one million tons in the half-year. Have these drops in imports given any fillip to the blast furnaces and steel works of the country? The position is best shown by the actual figures, which are set down side by side:—

(Thousand Tons.)

	Pig-iron.		Iron and Steel.	
	Imports.	Home Production.	Total Iron and Steel Imports.	Production.
1927.				
Jan.-June ..	398.1	3,728.9	2,570.2	4,989.1
July-Dec. ..	181.1	3,564.7	1,835.9	4,109.2

1928.

Jan.-June .. 67.4 3,422.2 1,542.3 4,290.2

Actually, therefore, pig-iron production has fallen by 300,000 tons, and steel production has fallen by 700,000 tons during the period in which imports have been so severely reduced. In exports there has been an increase in pig-iron from 106,000 tons in January-June, 1927, to 166,000 in July-December, 1927, and to 192,000 tons in January-June, 1928. In the exports of iron and steel generally the movement has been more restrained, the increase being from 1,947,000 tons in the first half of 1927 to 2,253,000 tons in the second half of 1927 and 2,128,000 tons in January-June, 1928.

This increase in exports, however, only makes the reduction in home consumption more conspicuous. If we add the imports to the home production and deduct the exports, the result is as follows:—

	Jan.-June, 1927.	July-Dec, 1927.	Jan.-June, 1928.
Thous. Tons.	Thous. Tons.	Thous. Tons.	Thous. Tons.
Home consumption of pig iron	4,021.1	3,579.7	3,297.7
Steel	5,632.2	3,693.1	3,704.8

Home consumption has fallen, comparing the first six months of 1927 and 1928, by 723,000 tons in the case of pig-iron and 1,928,000 tons in the case of steel.

Home consumption of coal, an industry which was also to benefit from the restriction of foreign imports,

has fallen by roughly 200,000 tons, while iron ore, the import of which shipping interests were encouraged to believe would expand as iron and steel imports contracted, actually fell from 2,629,000 tons in January-June, 1927, to 2,536,000 tons in July to December, 1927, and 2,382,000 tons in January to June, 1928. Hence all the benefits, which we were assured would follow a substantial reduction in the imports of foreign iron and steel, have failed to materialise, and the returns vindicate the claim which objectors to tariffs and trade restrictions have never ceased to make, that "safeguarding" can only proceed by raising prices to the home consumer, with the inevitable consequence that the production of such articles as depended upon the cheap imported material must be restricted.

The proportion of exports of iron and steel to home production in January-June, 1928, has been roughly 50 per cent., and if we add ships, machinery, and all the other manufactures of iron and steel which are shown separately in the trade returns, the proportion is probably well over 60 per cent. Admittedly in the export trades our manufacturers cannot afford to raise their prices; shipbuilders are unable to get orders for new tonnage even at the present cut prices; engineering is in much the same plight; and tinplate and galvanised sheet manufacturers would soon find competition very active in their markets abroad if they raised their prices at all. The first step in "safeguarding" is to fix an import duty at such a level as will give the home manufacturer a remunerative price. This must involve increased cost to the consumer, and if, owing to the special difficulties in the export trade, the whole burden of this increased cost has to be thrown back upon the home consumer, it will be seen that no more than 40 per cent. of the trade will be expected to pay, not only the increased cost of its own material, but the increased cost of the 60 per cent. exported also—an impossible task.

The claim of the "safeguarders" is that ultimately production will be steadied and increased and prices will fall again, but the lesson of the export trade is at present that only by a reduction in price can our hold on the world's markets be increased. Hence any price-cutting to increase our exports in order to develop our production might conceivably alter the proportions from 60 per cent. export and 40 per cent. home to 70 per cent. and 30 per cent., or even 75 per cent. and 25 per cent.; but the net result is that 30 per cent. or 25 per cent. of our trade would still have to bear in the increased cost of its materials the further burden of the reduction in export prices.

It is conceivable that an industry exporting a small fraction of its output could benefit to some extent by a "safeguarding" duty which would protect it from foreign imports, and that the increased cost to the home consumer might be small; but in an industry which has to depend upon world trade to such an extent as our iron and steel industry, the steadying and expanding of output could only be obtained by laying such a burden upon the home consumer as would crush him altogether.

The results of increased prices can be seen plainly in the comparative figures given earlier in this article; imports have dropped, but there has been no expansion, but rather a contraction in output. How, then, is the present situation of the iron and steel industry in this country to be met? Its difficulties will, to some extent, be overcome by the increasing cost of production among its competitors on the Continent. But we must look mainly to drastic reconstruction and reorganisation of our works and to reduced cost of output for a restoration of the fallen fortunes of the once powerful industry. Iron and steel magnates are talking themselves into a belief in safeguarding without, so far as can be seen from their public utterances, any very profound study of the probable or actual results of import duties. The actual figures quoted above will show, then, that a falling off of imports may quite easily be, and has actually been, followed by a reduction in output.

It is not only possible but probable, given the conditions of the industry to-day, that if we were to shut out foreign imports of iron and steel altogether, there would not only be no expansion in output, but there might even be still further restriction. The future of our works depends upon their being able to compete successfully in

quality and price with other world producers. Our home trade of itself can never maintain the blast furnaces and steel works with which our country is equipped, and to attempt to expand our exports and our home trade by "safeguarding" is to ignore the facts of the situation and to shirk the effort which is needed. "That way madness lies."

INTERNATIONAL WHEAT POOLS.

(BY OUR OTTAWA CORRESPONDENT.)

THE International Wheat Pool Conference, the third gathering of its kind which was held at Regina, the capital of Saskatchewan, in June, was an even more successful and more interesting meeting than its two predecessors. Over one hundred delegates were registered, and they included not only representatives of the great wheat-producing countries, Canada, the United States, Australia, and Russia, but also spokesmen of consumers' co-operative societies and other organisations. Canada naturally furnished the largest contingent of delegates, but the United States was well represented, and Russia sent three prominent members of her State trading organisations. From Britain there came a group of leading co-operators, directors, and officials of the English and Scottish Wholesale Co-operative Societies, and Sir Thomas Allen represented the Empire Marketing Board. Again the international side of the co-operative movement had its views voiced by Mr Henry J. May, the secretary of the International Co-operative Alliance.

No controversies of a serious character emerged, and the delegates spent three days in a profitable exploration of a wide variety of problems involved in the marketing of farm products. The main conference naturally concerned itself with grain marketing, but delegates who represented organisations primarily interested in other forms of agricultural produce held separate subordinate conferences, where they dealt with their own particular problems. The visiting delegates took away with them a great deal of valuable information about the working of the Canadian wheat pools, which are the most successful organisations of their type in the world, and, on the other hand, the leaders of the Canadian pool movement gained the benefit of the experience of similar movements in other countries, and secured an insight into the viewpoint of the consumer. The pool leaders inevitably laboured assiduously to dissipate the suspicion, cherished freely among consumers, that their efforts were directed to the permanent enhancement of prices, and to prove that their sole objective was the amelioration of the farmer's lot by securing for him some adequate control of the marketing of his produce and the elimination of the middleman and speculator.

At the Conference held at Kansas City a year ago the idea of an international wheat pool, which would regulate the outflow of wheat from all the exporting countries, had been bruited by some enthusiasts, and found a certain measure of support. On the present occasion the proposal was revived by the Australian and Italian delegates, who received some support from the Russians. Canadian and American opinion was divided upon the question, and Mr George W. Robertson, the secretary of the Saskatchewan Wheat Pool, in submitting a report upon the scheme, declared that it had been deemed inadvisable not to push the idea of closer co-operative co-ordination until certain countries, particularly the United States and Australia, had settled some domestic controversies about grain marketing. He asserted that as far as the United States was concerned, the question of farm relief, which has come to the front through the controversy over the McNary-Haugen Bill, must be disposed of before co-operative marketing could come into its own. So the Conference passed no resolution definitely advocating an international wheat pool, and even went on record to the effect that since the Canadian Wheat Pools had established a department which acted as a clearing house for statistical information, it would be superfluous to set up the permanent international bureau which had been contemplated. The most important resolution of the Conference affirmed its faith in the pool system.

A further decision was to widen the scope of future conferences. Hitherto representatives of organisations engaged in marketing other farm products than grain have only been present by courtesy of the grain-growing fraternity, and have been relegated to subordinate conferences, while the delegates from consumers' societies have lacked a definite standing. But henceforth representatives of co-operative organisations of every genuine brand will be allowed to send delegates, and a resolution was passed urging the establishment of national co-operative committees for the purpose of furthering such conferences and electing representatives to the International Pool Conference. The general sentiment of the gathering, however, was that each co-operative group could make its best contribution to the movement by strengthening and perfecting its own organisation rather than by dissipating its energies on the furtherance of some grandiose international scheme, for which the ground had not been adequately prepared.

The delegates from the different countries gave illuminating accounts of the progress of their own marketing movements. Mr Judd, the manager of the Victorian Wheat Growers' Corporation, claimed that evidence existed there that the co-operative movement could market wheat with better results to the farmers than private organisations. Dr Booth, an economic expert sent by the U.S. Department of Agriculture, gave an interesting account of the growth of the co-operative movement in the United States. He quoted figures to show that whereas in 1915 there were in the Republic 5,424 co-operative organisations engaged in buying and selling farm supplies with a total turnover per annum of three-quarters of a billion dollars, to-day there were 10,000 such organisations with a total turnover of \$2,400,000.

Mr Lulinsky, Vice-president of the Selskosojus-American Incorporated of New York, gave an interesting account of agricultural progress in Soviet Russia, while a speech by Sir Thomas Allen, of the Empire Marketing Board, in which he offered a balanced survey of the possibilities of the co-operative movement, created a deep impression. Some of the British speakers used their opportunities to hint politely that while it was a fine thing for the Canadian farmer to sell his produce to British co-operators, a little more reciprocity in buying British goods would be appreciated. Mr Brownlee, the Premier of Alberta, played up to this suggestion, and expressed the view that conditions might soon force closer trade relations between the different parts of the Empire.

The Conference has been very valuable in its educative results, but the main beneficiaries will probably be the Canadian wheat pools. All three western pools are at present engaged in campaigns to secure renewals of contracts from the grain growers, and the Conference has been a great advertisement and help. Its proceedings have been broadcasted into thousands of farm homes, many of which are equipped with radio sets, and it has inevitably gratified the pride of pool members to hear stranger orators dilating upon the magnificent success of their co-operative pools and telling them that they are an inspiration to farmers in every corner of the universe. Such oratory made the farmers of Western Canada feel that they have developed an institution which was worth preserving, and as a result, since the Conference began a flood of renewal contracts has been pouring in. In two days no less than two thousand were received, and pool officials assert confidently that sufficient acreage has now been signed up to guarantee the continuance of the pools for at least another five years.

THE BRITISH MOTOR INDUSTRY. — III. PROBLEMS AND REMEDIES.

(BY A CORRESPONDENT.)

Private Car Section.—With a record of steady growth of demand, and prospects of its continuation, which have been demonstrated in two previous articles, it remains to explain why British private car manufacturers have not made a better financial showing, and to indicate whether this condition is likely to continue.

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It is usually assumed that the motor industry, being of recent development, is in every respect up to date, and does not stand in need of overhauling, as do the older coal and cotton industries. To those in close touch with the industry, it seems that no other industry stands more in need of drastic rationalisation in every sphere of its activities. While British production in 1927 totalled less than 160,000 cars, there were no less than 150 models in production. An average production of 1,000 cars per year is not a sufficient basis to make possible competition with the large output factories of America. Actually the position is worse than it appears, as 75 per cent. of the production is in the hands of three firms, the remainder struggling for a bare 25 per cent. The position of the latter is precarious, and constantly disturbs the market by the unloading of surplus stocks by firms which have had a particularly bad year.

The motor car is a peculiar product, in that it partakes of the characteristics of both "capital goods" and "consumption goods." The cost of selling a car, which should include provision of a service organisation, is almost as great as the cost of making it. The economies that can be effected by rationalisation on the production side are well known, but in this industry the corresponding economies on the selling side are no less important. Until the British car industry comes together with a programme of co-operation in production, elimination of redundant models, and co-operation in selling and service, no improvement in its financial outlook is to be expected. In normal conditions of trade even an expanding demand is not sufficient to outweigh the waste arising from intense individualism, and cut-throat competition. In face of a critical situation, such as the "used car problem," the industry is without resources or common plan of action, whereas it is only joint action by the industry which could conceivably provide a solution.

If at home, complete rationalisation, involving full exchange of information and control of the industry by two or three groups, is necessary, it is even more so in the export markets. The vast potential market awaiting the British motor industry within the Empire alone cannot be regained by the haphazard and inadequate efforts of fifty small or moderate sized firms from the hold of such rivals as Ford and General Motors Corporation. A motor car of British manufacture, made to suit the requirements of the dominions, and backed by a selling and service organisation of the whole industry, would, on the other hand, undoubtedly make immediate inroads on these markets. But the service must be there first, and then the car will sell. Customers in the back blocks of Australia will not buy a car on the assurance that after a sufficient number have been sold a service organisation will be instituted. To start a vast organisation with depôts all over the Empire, and carrying considerable stocks of spares, &c., is a large undertaking.

One or two models must be decided upon as suitable for the purpose, and these models must be supported by the united resources of the British industry. It is not necessary at this stage to discuss whether these objects may best be attained by amalgamation, financial control, or other methods. It may, however, be hazarded that the industry cannot afford to let the matter "settle itself" by the unaided forces of free competition. Before long some group must take the lead in a conscious effort to

clear up a situation which is getting rapidly worse. On the other hand, were such rationalisation effected, the prospects of the reconstituted groups would be brilliant. For this reason, any movements in this direction deserve to be watched with close attention.

Commercial Vehicle Section.—The commercial vehicle differs from the car both from the point of view of production and selling. It is an "engineering job" in a sense that a mass-produced car is not, being more subject to technical considerations, both in production technique and as regards the ultimate function of the vehicle. On the selling side the demand for a particular type of vehicle is less variable for a number of reasons. The bulk of commercial vehicles, whether goods or passenger carrying, are owned and operated in fleets, with the result that there is a substantial economy in maintaining a homogeneous fleet as opposed to a miscellaneous collection of vehicles. Again, as they are operated on a commercial basis, the period during which these vehicles are kept in commission is determined more rigidly by economy of operation, which causes a steady replacement demand. Finally, the use of these vehicles is based upon the whole commercial and industrial activity of the nation, with a tendency to expansion, owing to the new uses which are constantly being found for them.

All of these factors are strongly against the entry of mushroom firms into the industry, and confer an enormous advantage on the established concerns. Although competition has been no less keen than in the car section in causing rapid technical improvements and steady reduction of prices, there is an absence of unsound cut-throat practices, and production is concentrated in comparatively few hands. The financial position of commercial vehicle concerns does, it is true, show wide variations. These are, however, due to the varying extent to which these firms were affected by munitions expansion during the war and the subsequent slump during the liquidation of war stocks. Recently the trend of profits among the established concerns has been uniformly upward, and even with the existing basis of production there is no reason why they should not be maintained.

The prospect of expansion in overseas markets has already been indicated. In the long run prospects in the home market would seem equally good, but this view is subject to certain qualifications. The motor vehicle has, in a comparatively short time, risen from a luxury status to a leading position among the transport agencies of the country. This development has been partly through the provision of new facilities and partly at the expense of older forms of transport. In the difficult post-war period, the latter element has been acutely felt by the railway companies, though, taking a long view, its importance has probably been exaggerated. In any case, the result has been a considerable measure of hostility to motor transport on the part of those who have not yet appreciated its future significance. Over a short period at least, the development of motor transport is peculiarly vulnerable to hostile opinion, owing to its peculiarities. The motor vehicle is a form of property habitually used outside the premises of its owner, and therefore liable to regulation by central and local governments, both as to construction and use. Regulations of an irksome character may be multiplied to a dangerous extent. Using the public highways, it is rightly subject to contributions towards the cost of their maintenance. But the expanding revenue of recent years from motor taxation has proved too great a temptation for the Exchequer. The expedient of taxing transport (even motor transport) for general revenue has been followed in a succeeding Budget by an admitted attempt to "redress the balance" between road and rail, to the advantage of the latter.

The responsibility for this state of affairs lies primarily with the motor industry itself. The industry is perhaps too young as yet to have created an outlook or organisation commensurate with its importance. Although organisations are not wanting representing various aspects of the industry and the users of its products, the time is now clearly overdue for a central organisation on the lines of the shipping conferences or

the railway managers' conference, to co-ordinate the activities and represent with authority the viewpoint of road transport. Their first task will be to educate public opinion, and thus the public authorities, out of the "luxury" conception of the motor vehicle, whether private car, truck, or bus. The need for a national policy for the regulation of road vehicles and of road and garage construction is indicated, no less than a representative body to consult and negotiate with other transport agencies for the better co-ordination of transport. In the long run it is reasonable to suppose that those ends will be achieved from their self-evident merit, whether the industry takes active steps in this direction or not.

At present the outlook of the industry is parochial, and the position is going by default. It is as yet too soon to say whether the burdens and restrictions which are being imposed on motor transport will be sufficient to check for the time being its rate of progress.

THE ECONOMIST.

In view of the change in the proprietorship of the "Economist," the following letter from Mrs. Barrington, youngest and sole surviving daughter of the Rt. Hon. James Wilson, in which she gives some intimate details relating to the origins of this journal, will be of special interest to our readers.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Your interesting and instructive article on the history of the *Economist* in the issue of July 14th suggests to me that an account of the initiative purpose which my father had in starting this weekly paper might not be out of place.

In 1839, the year the Anti-Corn Law League was formed in the North, my father wrote "Influences of the Corn Laws." The book made a distinct mark at once. Sir Robert Peel quoted from it in the House of Commons, Cobden inserted passages in his Corn League paper, and Mr Edward Baines, editor of the *Leeds Mercury* newspaper, asked my father's permission to republish the whole of the work in weekly articles in his notable paper. In its pages are distinctly seen how my father's views differed from those of the Radicals and the extreme Manchester school. Mr Baines, in his criticism of it, writes that it is so unprejudiced, fair and moderate in its tone that the reader would find it difficult to discover whether the writer belonged to the manufacturing or to the land interest class. My father deprecated strongly the "Cause" of the abolition of the Corn Laws being fought on the lines of class against class.

He admired and liked Richard Cobden, and was on the most friendly terms with him; for though Cobden had heralded the League, personally his nature was of so courteous and uncombative a character that it was not in sympathy with the more combative spirit of the Manchester school; perhaps more so, therefore, in sympathy with that of my father's.

In 1840-41 my father published two pamphlets, "Fluctuations of Currency, Commerce, and Manufactures" and the "Revenue; or, What Should the Chancellor Do?" and subsequently wrote articles for Mr Fonblanque's paper, *The Examiner*. Mr Fonblanque found reason to curtail these articles, which, however, drew much attention from the public.

Lord Radnor and Charles Villiers, who both greatly appreciated the "Influences of the Corn Laws," strongly urged my father to start an independent paper, in which he would find ample space to express his own special views. My father also discussed the question of starting this paper with Francis Place, who was in much sympathy with his independent views. Cobden, however, was not so encouraging; he wrote:—

"Newspapers have been graves to fortunes; have you made up your mind to a great and continued pecuniary loss? Bright is strongly of opinion still that your pen, in conjunction with Fox and others in a League paper, would give you greater power of usefulness and influence; but I don't like to say anything to discourage you.

Ever yours,

R. COBDEN

Charles Villiers, however, writes:—

Notes of the Week.

Mr Churchill on Tariffs.—In the first leading article in this issue we refer to the notable speech in the House of Commons debate on unemployment on Tuesday, in which Mr Churchill discussed the fiscal system of this country, and avowed himself an opponent of any fundamental change. As the speech is one which will probably be quoted on a thousand platforms and discussed in a thousand newspapers, our readers may be interested in the main argument on which he based his conclusion. Here are Mr Churchill's words:—

We have to face the facts. After all, at the present time this island, with all its difficulties, is still not only the greatest exporting nation of manufactures in the world, but it exports twice the manufactures per head of the population. Although there is all this doubt about the different systems, although, undoubtedly, its wages are 50 per cent. above the Continental level, nevertheless it exports, against high and hostile tariffs, and in most cases unfair competition, more than double, per pair of human hands, the manufactured goods that can be shown by any other country on the globe. There are two countries in Europe—Switzerland and Belgium—which are exceptions to this rule. They are small countries, and they are both countries where the duties are exceptionally low, and they stand with us at the head of the list of those nations which have the highest possible exporting capacity.

Mr Churchill's insistence on these fundamental truths is exceedingly timely and forceful, and we are not surprised that his speech has caused dismay among the active group, which was apparently hoping to ride its protectionist horse rough-shod over the Conservative Government's policy.

The Budget and Rating Relief.—Important changes have taken place in the finances of the Government's rating proposals. In his Budget speech the Chancellor stated that "the finance of the rating scheme is in principle, and, to a very large extent, self-contained," and he was at pains to show that the income from the petrol tax and the outgo under the rating scheme would just about balance at the end of the financial year 1931, though at the end of the financial year 1932 a small deficit which, he stated, "will not exceed four million pounds," probably would appear. Mr Churchill originally estimated that the petrol tax would yield £14.2 millions this year, £17.8 millions next year, and a total increasing at the rate of roughly £1½ millions in each of the three following years. Taken together with the surplus carried over from last year and with the surplus (apart from the yield of the petrol tax) on this year's Budget, the total amount available for the rating scheme would thus be roughly £75.9 millions in the four years 1928 to 1931, and £97.4 millions in the five years 1928 to 1932. So much for income. As regards outgo, the Budget estimated expenditure on the rating scheme at £29 millions annually, beginning in October, 1929—i.e., £14.5 millions in the financial year 1929 and £29 millions in each succeeding financial year. The estimated expenditure up to the end of 1931 would thus be £72.5 millions, and the aggregate up to the end of 1932 would be £101.5 millions. On the Budget figures, therefore, there would be a small favourable balance at the end of 1931 and a small deficit at the end of 1932. Since the Budget, however, three important changes have been made in the rating scheme, which throws its finances completely out of balance. First, the exemption of kerosene from the petrol duty will cost the revenue £2½ millions this year and at least £3 millions a year thereafter. Secondly, the special amount required for Local Government reform, which the Budget estimate placed at £3 millions, has been increased in the Government White Paper to £5½ millions net (the increase is really greater, for the White Paper puts the amount required at £8½ millions, but proposes to find £3 millions of this sum out of the resources of the Road Fund). In the third place, the railway relief, which was not to have begun until October, 1929, will be started in December, 1928. As railway relief in a full year will cost roughly £4 millions, in the nine months from December, 1928, to October, 1929, the cost will probably be in the neighbourhood of £3 millions. The abandonment of the kerosene duty will accordingly reduce the revenue of the rating scheme by roughly £11½ millions by the end

"Have you done anything about your paper? I was in hopes to have seen you or heard from you about it. I waited till half-past eight on Monday in hopes to have seen you in the House. I am sure there never was a time when an independent organ was more required. We are losing a valuable moment now in not working on the excitement produced in the last six months.

"Yours very truly,

"C. P. VILLIERS."

To my mother, who was at Boulogne, my father writes:—

"With regard to the paper, Cobden has quite come over to our way of thinking (that is, Lord Radnor, Villiers, and my own), that my paper would be of greater consequence than any other, and that I must be quite independent of the League, only with their assistance in circulation. The only thing now to be determined upon is how far the League will undertake to assist it with their aid in circulation, and that will be determined on Monday next, when George Wilson and John Bright are to come to London for that purpose. They want a distinct League organ, which perhaps they will have of their own, instead of the Anti-Bread Tax circular. My paper would not do for that purpose; mine must be perfectly philosophical, sober and moderate—nothing but pure principles; we will see on Monday. The great advantage of having Lord Radnor with me is that I shall be secure of support."

Further, he writes to my mother:—

"I have been seeing Mr Francis Place, with whom I had a long talk about the paper. I then went to Lord Radnor, with whom I also spoke on the subject, and proceeded to the club, and met Villiers by appointment. We had a long gossip, among other things, about the paper. He is very fond of the thing, but from what he said we shall have difficulty with the League—it appears they are extremely jealous of their importance, and will want it ostensibly a League paper, and as such I will have nothing to do with it. I will see Cobden and Villiers at the House on the subject."

Soon after, at Lord Radnor's dinner table, he and my father definitely decided that my father should found a weekly newspaper named the *Economist*, Lord Radnor offering to help financially in its starting. It appeared on September 3, 1843. After reading the first copy, Cobden writes:—

"I find in it a great deal of useful matter. Can there be sufficient number of readers with intelligence to appreciate it found to make such a paper pay? I am curious to learn what amount of support you will find."

Contrary to Cobden's fears, the *Economist* had at once a large circulation, and in a short time my father was able to repay what Lord Radnor had kindly advanced.

Bagehot writes:—

"Within seven years from the foundation of the *Economist* Mr Wilson dealt effectively and thoroughly with three first-rate subjects—the railway mania, the famine in Ireland, and the panic of 1847—in addition to the entire question of Free Trade, which was naturally the main topic of economical teaching in those years. On all these three topics he explained somewhat original opinions, which were novel, if not paradoxes, then, though they are very generally believed now. To his writings on the railway mania he was especially fond of recurring, since he believed that by his warnings, very effectively brought out, and very constantly reiterated, he had saved several men their fortunes at that time."

By reason of my father's close personal relations with those who could afford him first-hand information, he was able to apply facts to his own beliefs on these subjects. When appointed Viceroy for Ireland, and Lord Clarendon had to face the great problem of the Irish famine, he wrote to my father:—

"I go to Ireland on Friday. I will write to you occasionally when I have any information worth your knowing to give. Why should you not come over there in the course of the summer?"

Forty long letters exist from Lord Clarendon to my father, these chiefly giving his views on the appalling disasters of the famine. In like manner my father had correspondence with personal friends who were Ministers of State. Among others, there exist letters from Lord Granville when he was Minister for Foreign Affairs, Lord Grey after he had been Minister of State for the Colonies, and Lord Elgin when he was Governor of Canada, all of whom were most willing to give my father first-hand information.—Yours truly, EMILIE I. BARRINGTON.

Herts Hill, Langport, Somerset, July 16th.

of 1931, and by roughly £14½ millions by the end of 1932. The increased outlay on local government reform and railway relief will raise expenditure up to the end of 1931 by roughly £6½ millions, and up to the end of 1932 by £8½ millions. The net result will be that on the first three years of the scheme's working (i.e., up to the end of 1931), instead of breaking even, there will be a deficit on the finance of the rating scheme of roughly £17½ millions, and on the first four years of the scheme (i.e., up to the end of 1932), instead of a deficit of £4 millions or less there will be a deficit of £30 millions. These figures are subject to two qualifications. In the first place, the admitted failure of the Betting Duty will cost the Treasury about £1¼ millions this year, and will, therefore, trench on the surplus available for the rating scheme. Secondly, the results of the rating scheme should be slightly better than the figure shown, because rates are at present a deduction for income-tax purposes under Schedule "D," and the reduction of three-quarters of industrial rates will result in future in a lesser deduction for these purposes than at present. Consequently, there will slowly be built up a relief to the Exchequer which, it is estimated, will be £1½ millions in 1931 and £2½ millions in 1932. Nevertheless, this second qualification does not radically affect the position. The fact that the revenues of the rating scheme are now inadequate to meet the outgoings under the scheme does not mean that the national finances will be thrown into the debit. It does mean, however, at best, that possible remissions of taxation must be withheld. Enough, therefore, has occurred since Budget day to make the Chancellor and his advisers don their thinking caps again and consider how the scheme of rating relief can be financed without making the outlook for the taxpayer too dark.

Betting-Tax Changes.—From the point of view of revenue yield the betting tax has been a sorry disappointment to the Exchequer. When, originally, a Committee was appointed to investigate the potentialities of such a tax, it was quite common to hear of fancy estimates of enormous yields. These wild geese were killed by the Committee, who whittled down the projected yield on the basis of duties which the business would stand to £6 millions. Even this figure enabled an embarrassed Chancellor to reply to critics of the measure by saying "there is money in it, and I must have the money." But, as Mr Churchill was forced to admit in the House of Commons on Monday, the £6 million yield has proved altogether illusory. The Budget estimate for the tax in the current financial year was £3¼ millions, but from the experience of the first few months the Treasury has had to revise its estimate downward to £2½ millions. This decline Mr Churchill attributes to evasion, and in an attempt to check evasion he proposes to reduce the rates of duty on course betting from 2 to 1 per cent., and on office betting from 3½ to 2 per cent., thereby reducing his prospective revenue to £2 millions. But, at the new rates of duty, will even this sum be realised? There is force in Mr Snowden's contention that a man who will evade a 3½ per cent. tax, and has done so successfully, will continue to evade it at the lower rate of 2 per cent. Next year Mr Churchill intends to raise the price of book-makers' licences, and make up some of the loss that way. But this year it is too late. An additional influence behind the Chancellor's remission is the fact that the totalisator is to be introduced (with rates yet to be disclosed). There is, we believe, force in Mr Churchill's contention—that the introduction of the "tote" will do something (a much-needed something) towards cleansing the horse-racing business, and that is an argument which has to be weighed against the plea of those who deplore the official recognition of betting by the State—the "nationalisation of betting," as Mr Snowden puts it. But we do feel strongly that if the totalisator is to be introduced, its introduction should be made the occasion for dealing with the whole of the law in so far as it deals with betting. At present betting is, as Commander Kenworthy said, "both legal and illegal." It is recognised by the tax-collector, but not by the County Court. The anomaly is indefensible. There are only two rational courses—namely, to legalise betting or to make it clearly and consistently illegal.

Two Indian Strikes.—Two strikes, one symptomatic of political and one of industrial unrest, are causing considerable anxiety in different parts of India. The stoppage on the Southern India Railway is serious and shows signs of spreading, notably to the Great Indian Peninsular Railway, which would concern mainly Bombay, as the Southern India strike concerns Madras. The gravest aspect of the strike is not its genesis, for it seems to have sprung from a purely industrial controversy, but the methods adopted by the strikers. In more than one locality parties of them lay down across the line in front of trains, and in one case, near Madras, the attempt of the police to remove them led to serious disturbance. Trains have been derailed in different places with considerable loss of life. Questions of dismissals and pay are at the root of the trouble, which in essentials differs little from similar difficulties which recur from time to time in European countries. It demonstrates, incidentally, the growth of labour organisation in India. The strike is by no means general, for the higher grades are said to be loyal. Nevertheless, only skeleton services are being run at present, and no immediate improvement is in prospect. The Bardoli strike, or passive resistance movement, is a much more serious affair, in that it constitutes a definite challenge to the principles of organised government. Bardoli, an agricultural district in the Bombay Presidency, has tried its hand at non-co-operation before. This time the movement, inspired by an increase of assessment of land for revenue tax, has been taken in hand by Swaraj leaders, notably, Mr Valabhbhai Patel, a brother of the President of the Legislative Assembly. Mr Patel, after showing signs of readiness to accept a reasonable compromise, has now receded and adopted as uncompromising an attitude as ever. Sir Leslie Wilson, the Governor of Bombay, after consultation with the Viceroy, offered arbitration provided the increased taxation was provisionally paid, the amount representing the difference between the old assessment and the new being held on deposit till the final judgment was given. This offer has been refused, and the deadlock continues. Unfortunately, there is danger of something more than mere passive resistance, for the Government has seized the land of farmers who refuse to pay the tax and attempts to reap the harvest in spite of that seem likely. The Government is bound to find means of enforcing the law; otherwise the movement will spread fast and far. An unfortunate point is that the feeling aroused is calculated to diminish the likelihood of the Bombay Legislative Council voicing for co-operation with the Simon Commission.

Readjustments in China.—The situation in China is still fluid in many respects, and will no doubt remain so for some time. The authority of the Nationalist Government is greater than at any time so far, but considerable doubt still remains as to how far the writ of Nanking will run in centres like Hankow and Canton, particularly in the matter of finance. That is only partly a domestic question, for on the reorganisation of the internal finances of the country depends China's ability to meet her obligations towards Western investors. But two more immediate and urgent questions remain unsettled. One is the situation in Manchuria, which, till a few days ago, seemed likely to give all necessary recognition to the Nationalist Government, Chang Hsiiao-ling, a son of Chang Tso-ling, having reached an agreement to that effect with Nanking. Since then, however, the Japanese seem to have made representations at Mukden, with the result that Chang has cooled off considerably in his enthusiasm for the Nationalists. It would appear that the Japanese action was intended as a counterstroke to the denunciation by the Nanking Government of China's Commercial Treaty with Japan. The same denunciation has been announced in the case of the Treaties with Denmark, Italy, and France, all of whom have addressed Notes of sharp protest to Mr C. T. Wang, the Nationalist Foreign Minister. Technically, no doubt, China is exceeding her rights in acting as she has done. The principle of the revision of the Treaties was conceded once for all at the Washington Conference of 1921, and the negotiations set on foot a couple of years ago might have led to some

result if there had been a single Government capable of speaking in the name of all China at that time. There is something much more like a single Government in office now, and it is as well to face realities and recognise that if trade with China is to be developed, the relations between Western States and the China of the third decade of the twentieth century must be something very different from what they were 15 or 20 years ago. Treaties, of course, cannot be simply torn up, and China must be prevailed on to recognise the decencies of diplomatic intercourse. But it is clearly necessary to take in hand without delay the whole question of China's relations with Western Powers, in the matter of extra-territoriality in particular, and to approach the problem with some vision and imagination, rather than stand merely on legal technicalities. If China were wise she would raise the whole question under that Article of the League of Nations Covenant, which enables the Assembly to recommend reconsideration of Treaties no longer consonant with modern conditions. So many members of the League of Nations are concerned in the Treaties that to bring in the League as a whole would be a definite advantage. Meanwhile the United States is reported to be taking the initiative in the shape of steps which virtually imply recognition of the Nationalist Government.

The Coup d'Etat in Egypt.—On July 19th the King of Egypt published a rescript dissolving Parliament (both the Chamber of Deputies and the Senate), and suspending the parliamentary régime—that is, the relevant articles in the Constitution—for a period of three years. At the expiration of that period the King proposes to re-examine the situation with a view to deciding whether elections shall be held or whether there shall be a further postponement. During the three years, as well as during any further postponement, he proposes to exercise the legislative power himself, "in conformity with Article 48 of the Constitution," by decrees having the force of law. This coup is primarily an incident in the feud between King Fu'ad and the Wafd—a feud which has been going on almost ever since the Wafd came into existence during the Paris Peace Conference. The situation has indeed changed since the days of the Wafd's omnipotence. Within the last four years that omnipotence has been destroyed by a succession of blows, these being the British Government's retaliation for the assassination of Sir Lee Slack, the death of Zaghlul Pasha, the failure of the negotiations with the British Government this year, which were conducted by the then Premier, Nahas Pasha, who had succeeded Zaghlul Pasha in the leadership of the Wafd, and Nahas Pasha's resignation from the premiership owing to an imputation on his personal conduct in a professional matter relating to the property of the Royal Family. Presumably, the King thought it opportune to strike while the iron was hot, and so far the coup has elicited no retort. Yet it would be premature to infer that the Wafd has received its coup de grâce. A political organisation with such wide ramifications and such considerable financial resources is not so easily disposed of. Moreover, in attacking the Wafd through the Constitution, the King may cause Constitutionalists of other parties to rally to the Wafd, when they would otherwise have shrunk from associating themselves with it. As for our own position in the matter, technically Great Britain is not concerned, since the King's proclamation does not directly effect any of the four points which the British Government reserved for future settlement when it recognised the independence of Egypt in February, 1922. In practice, this new turn of affairs in the internal politics of Egypt might have awkward consequences for us. For one thing, the introduction of responsible parliamentary government in Egypt seems to have been part of a tacit understanding which the British declaration of 1922 presupposed. For another thing, if the suppression of the Constitution were to be followed, sooner or later, by revolutionary disturbances of public order, we might be drawn into intervening in order to protect foreign residents or to safeguard Imperial communications. The third and most awkward point is that this suspension of responsible Government in Egypt for three years, if not for longer, may correspondingly postpone a settlement of the four reserved questions. Possibly it might be easier to negotiate a settlement, satisfactory to

ourselves, with a Minister responsible to the King alone; but we might well hesitate to enter into a contract on such important matters so long as this contract could not be endorsed by the elected representatives of the Egyptian people.

The New Tangier Agreement.—"The Tangier Question" has long been a bane to the Powers and a still greater bane to the unfortunate inhabitants of Tangier itself. The Powers, groping their way towards harmonious co-operation in more important matters, with an eye to far higher considerations of policy, have perpetually been pulled up short over Tangier, and have had to take elaborate precautions in order to prevent their good relations from being disturbed by traditional issues of strategy and prestige relating to this Moroccan port at the threshold of the Straits of Gibraltar. The usual method of removing the friction has been to add some fresh complication to the already intricate machinery of local government in the Tangier zone, until the life of the inhabitants—Europeans and Moroccans alike—has been made a burden to them. The latest monument to the awkwardness of Tangier is the Tripartite Convention of 1923. Its negotiation was a matter of years, and when at last it was completed, it was hoped that it would give "the Tangier Question" its quietus. This hope was not altogether unreasonable, seeing that the Convention embodied an agreement between the three Powers most immediately interested, namely, France, Spain, and Great Britain. Great Britain is interested because of the proximity of Tangier to the Straits; Spain because it is an enclave in the Spanish zone in Morocco; and France because she exercises a direct or indirect protectorate over Morocco as a whole. Nevertheless, the hopes based on the 1923 Convention have proved illusory. To begin with, Spain, though she signed and ratified the Convention, was left with a feeling that it had conceded too much to France and too little to her; and France had no sooner finished the war against Abdul Karim in the Rif on Spain's behalf than the Marquis de Estella sought to reopen "the Tangier Question" *ab initio*. Moreover, the 1923 Convention was not accepted either by the United States or by Italy; and Italy—who claimed a stake in Tangier in her capacity as a Mediterranean Great Power—has pressed her grievance rather vigorously. The new agreement, the signature of which has recently been reported, has the effect of bringing Italy into partnership with the three parties to the 1923 Convention; and it is to be hoped that after this Tangier will not be heard of again. The negotiations leading up to this new agreement have been conducted in two stages. They started with fresh conversations between Spain and France, and when these two Powers arrived at an agreement between themselves respecting the Spanish claims, this agreement was submitted to Great Britain and Italy, and fresh conversations were set on foot with the object of reaching a quadruple agreement which would settle the Italian claims likewise. This result seems now to have been achieved, and the British Government, which has played the part of "honest broker" in these delicate transactions, deserves thanks for having helped to diminish, if not to remove, one of the inveterate stumbling-blocks of international diplomacy.

Threatened Cotton Lockout.—Our Manchester correspondent writes:—Another labour dispute has arisen in the Lancashire cotton industry, which may result in a general lockout of all the operatives in the spinning branch of the industry. The trouble is due to a domestic quarrel between the local trade union and one of the operatives at the Ramsey Mill, Oldham. This man, although an old trade unionist, has allowed his membership to lapse. Pressure has been brought to bear upon him to rejoin, and he consented on condition that by the payment of the fees due he should retain his full membership. The trade union, however, held that he must join as a new member, which would mean that he could not obtain benefits for a certain period. On May 22nd the spinners at the mill tendered their notices to leave work. Joint meetings were held between the employers' association and the local trade union officials, and the notices were post-dated

on several occasions, but were allowed to expire on July 17th. The mill opened as usual for the resumption of work on the 18th, when the spinners, as well as the card-room operatives, refused to start work and since then the mill has been closed down. It is important to point out that although the mill is stopped there is no dispute between the employers and the operatives. On July 10th, at a meeting of the committee of the Federation of Master Cotton Spinners' Associations in Manchester, it was decided that in the event of the workpeople at this mill carrying their notices into effect and bringing the mill to a stoppage the firm should be financially supported, and that at an early date an extraordinary meeting of the members of the Federation should be held for the purpose of considering the position. A full meeting of the members of the Masters' Federation was called for yesterday, and there is a fear that the recommendation of the committee that all Federation mills be closed at noon on Saturday, August 11th, and remain closed until such time as the operatives return to work at the Ramsey Mill, will be adopted. In trade circles the opinion is held that the spinning industry should not be allowed to be brought to a standstill owing to a dispute of this kind, and it is believed that the trade union officials will see the error of their ways and request the operatives at the mill to return to work. On behalf of the Lancashire spinning employers, however, there is unanimity that strong action must be taken when a mill is put on strike owing simply to a domestic quarrel between a trade union and a workman.

Agriculture in Northern Ireland.—Our Belfast correspondent writes:—The agricultural statistics for Northern Ireland for 1928 have just been published and show an increase in the tilled area for the first time since 1923. The total extent under the plough is returned at 565,548 acres, as compared with 554,512 acres in 1927 and 637,681 acres in 1914. Speaking broadly, there was a general tendency for the ploughed area in Northern Ireland to decline from the early sixties of last century—when the tilled area attained its maximum—up to the outbreak of war, and the area under the plough in 1914 was smaller than in any previous year. This decline was interrupted during the war years, but was resumed in 1923, when the ploughed area fell below the pre-war level, and continued up to 1927. The increase in 1928 has been largely due to the extension of the area under flax from 26,334 acres to 37,247 acres, but it is also satisfactory that the area under other crops has been maintained. The present condition of the crops is fairly satisfactory, although in some cases they are rather backward on account of the long spell of dry weather experienced early in the season. This is particularly true of flax, which germinated at different periods, with the result that many fields are irregular in length. Substantial increases are also shown in the numbers of live-stock kept on farms. Cattle have increased by 40,527 and now number 737,866, the highest figure since 1923. Sheep have gained by 140,436 during the past three years, and the total number is now 624,503—the highest ever recorded. A small reduction is shown in the number of pigs, but apart from 1927 the number (229,125) is the highest since 1911. The total number of poultry is returned at slightly under eight millions, a figure which also constitutes a new high record. This increase in live-stock numbers is particularly satisfactory in view of the predominant place occupied by the live-stock industry in the six counties. It is, indeed, broadly true that tillage farming is largely dependent upon the maintenance of the live-stock population, for it is estimated that approximately 70 per cent. of the area ploughed in Northern Ireland is devoted to crops for the feeding of stock and not for human consumption. There is little doubt that the outlook for the agricultural industry has improved considerably during the past year. The few years following 1924 were a period of real difficulty for Ulster farmers. Heavy losses were experienced among cattle during 1924-25, but the decline in numbers which occurred at that time has now been regained. At different periods of 1926 and 1927 there were rather severe falls in the price of several important commodities sold

off Ulster farms—notably potatoes, flax, pork, and live-stock. An appreciable recovery in prices has, however, taken place recently.

Postal Cheques.—In view of the large volume of currency notes outstanding, any attempt to increase the use of cheques as a means of making small payments is to be welcomed. For this reason it was a wise decision of the Post Office Advisory Council to appoint a special committee to examine the Postal Cheque system in vogue in certain continental countries, with the object of determining how far it could usefully be adopted in this country. Their report (Cmd. 3151) is on the whole negative, but at the same time is of distinct value. It points out that the ordinary banking facilities provided for the public are much greater here than abroad. Thus Great Britain has one branch bank to every 3,600 inhabitants, against one to 6,500 in Belgium, one to 9,250 in France, and one to 20,350 inhabitants in Germany. Clearly there is less need for new machinery for transferring money in Great Britain than there was in foreign countries at the time the system was adopted by them. The Committee, too, were wise in suggesting that if any such system were adopted, it should become part of the organism of the Post Office Savings Bank. They were clearly labouring under some difficulty owing to the fact that the Post Office Savings Bank is open to all and sundry, regardless of whether depositors are suitable persons to be entrusted with cheque books. To overcome this difficulty, two members of the Committee suggested the introduction of "limited cheques" each of various maximum limits, such as £10, £5, £2, and £1, to be issued in books up to a specified aggregate limit corresponding to the portion of the depositor's balance earmarked for this purpose. This earmarked portion they rightly suggested should carry no interest, and thus should be equivalent to the ordinary "current account." This proposal did not meet with the approval of the third member of the Committee, who with some justice pointed out that a book of "limited cheques" would be of little more use to the depositor than a bundle of postal orders, bought in advance. The difficulty is a real one, for if the system is to be of any use it must be simple and free from any cumbersome restrictions. A possible way out might be to lay down that while anyone is to remain free to open a deposit account in the Post Office savings banks, the privilege of possessing a current account, subject to withdrawals by postal cheque should be confined to those who can prove by submitting references—which should be in as simple a form as possible—that they are not likely to abuse it.

South African Developments.—At the annual meeting of the Standard Bank of South Africa, held in London on Wednesday, Mr J. P. Gibson surveyed in considerable detail various phases of the present economic position of South Africa. The general tone of the address, an extended report of which will be found on later pages of this issue, was definitely cheerful, and it contains much useful information as regards the economic progress of recent times. For instance:—"Speaking very roughly, the mineral production of South Africa has quadrupled during the past 30 years, while imports over the same period have rather more than trebled, and exports, apart from minerals, are about eight times greater." Mr Gibson gives the total gross value of the industrial production of the Union as £40 millions in 1915-16 and £91½ millions in 1926. He also sets out the following interesting comparison of Transvaal and world production of gold before the war and now:—

	1913.	1927.	Decrease.	%	Increase.	%
World production	93,416,000	83,300,000	10,116,000	10½	5,621,000	15½
Transvaal production	37,373,000	42,937,000	..	..	..	..
Percentage of Transvaal production to world production	40.0%	51.6%	..	..	11.6%	..

"It can hardly be hoped," recognises Mr Gibson, "that the present rate of gold production will be long maintained." But he looks for compensation in "the great scope" which remains in other directions for the further development of the resources of South Africa.

Iron Ore Production in 1927.—With the publication by the Mines Department of the quarterly return of the output of iron ore for the fourth quarter of 1927, it is possible to give a table showing the total output of iron ore in 1927 compared with previous years. The output in the fourth quarter, at 2,736,708 tons, was less than the output in the third quarter by 108,300 tons, and less than the output in the second quarter by 337,000 tons. The output for the whole year amounted to 11,181,800 tons, and while higher than for the past few years, was less than in 1920 when the output was 12,706,900 tons, and very much less than the output in 1913, when it amounted to 15,997,300 tons. Imports of iron ore last year amounted to 5,165,100 tons, compared with 7,230,600 tons in 1913.

TABLE 1.—PRODUCTION OF IRON ORE AND IRONSTONE BY KINDS AND DISTRICTS, 1913 AND 1920, 1926 AND 1927.

Kinds of Ore.	Principal Districts of Production.	1913.	1920.	1926.	1927.	
					Total Output of Ore and Ironstone.	Average Net Selling Value at Mine or Quarry.
West Coast hematites (non-phosphoric)	Cumberland	Tons. 1,767,088	Tons. 1,257,388	Tons. 422,191	Tons. 1,070,662	s. d. 18 4
	Lancashire	..	..	74,932	170,328	19 10
		1,767,088	1,257,388	497,123	1,240,990	18 6
Jurassic ironstones						
a. Lower Lias ironstone	N. Lincolnshire (Frodingham)....	..	..	812,622	2,553,149	2 10
b. Middle Lias ironstone	Cleveland (N. Yorkshire)	..	..	976,562	2,529,894	6 4
c. Middle Lias ironstone	S. Lincolnshire, Leicester, Northampton, & Oxford	12,572,268	10,413,705	557,244	1,539,275	2 6
d. Inferior Oolite ironstone	S. Lincolnshire, Northampton, & Rutland	..	..	1,094,424	2,320,581	3 1
		12,572,268	10,413,705	3,440,852	9,542,899	3 9
Coal Measure ironstone—(Black band and clay ironstone)	N. Staffordshire & S. Staffordshire	1,542,053	950,004	91,977	215,921	..
	Scotland	..	..	7,664	11,902	..
	Other coalfields	..	..	13,174	28,345	..
		1,542,053	950,004	122,451	272,913	..
Other occurrences of iron ore	Devonshire, Forest of Dean, Somerset, Weardale, Wiltshire, Carnarvon, Flint, Glamorgan, and Isle of Man	115,919	85,798	33,960	125,005	..
		15,997,328	12,706,895	4,034,385	11,181,807	5 9

It will be seen from the table that the average iron content in the iron ore raised for the whole country was 30 per cent., varying from 22 per cent. in North Lincolnshire to 54 per cent. in North Lancashire (the Furness district), and that the value per ton, which averaged 5s 9d per ton for the whole country, varied from 2s 10d for the lean ores of North Lincolnshire to 19s 10d for the rich ores of Lancashire.

Conditions in Norway.—Our Trondhjem correspondent writes:—The turn of the half-year, with the usual heavy demand for liquid funds, naturally strained the position of the Norges Bank to some extent, although less than expected. The tightness relaxed during the first days of July, and the succeeding weekly returns of the bank clearly reflect the easier tendency which is now prevailing. The unusual stringency in certain foreign markets a couple of weeks ago does not seem to have had any pronounced effects on the domestic market. There were some rumours of an increase in the Bank rate, but inasmuch as the rise did not materialise at that time there is even less reason for such a step just now, especially so long as the London Bank rate remains unaltered. It appears from the statistics on the private joint stock banks as at May 30th, published by the Bank inspectorate, that the process of consolidation and liquidation is still making headway. Although deposits, including those of the banks under public administration, show a further reduction of about 9 million kroner since April 30th, there is actually an increase of about 6 million kroner in the deposits of the free banks. This favourable development also continued during June, a fact which may certainly be considered as a further proof that we are attaining

more normal and sound conditions in the economic machinery of the country. The Finance Bill for the period June 30, 1928, to June 30, 1929, has now been adopted by the Storting. The Budget balances at 372 million kroner, which represents a reduction of about 28 million kroner compared with the Budget for the year 1927-28, and it contains a proposal to the effect that direct State taxation be reduced by 10 per cent. An amount of 105.9 million kroner has been reserved for the National Debt, while 87.5 million kroner have been appropriated to meet interest and commission on funded debt and a further 18.9 million kroner for instalments on loans. A census of Norway's debts to and balances with foreign countries as at January 1, 1928, shows that the net amount of her debts aggregated 1,302 million kroner, against 1,225 million kroner on January 1, 1927, the increase thus amounting to 77 million kroner. In view of the rise in the value of the krone, the actual increase will be somewhat higher, but for obvious reasons the figures can only be considered as approximate. According to the foreign trade figures for June, just published by the Central Bureau of Statistics, imports amounted to 86.3 million kroner, against 88.4 million kroner in May and 80 million kroner in June, 1927. Exports figure at 54.5 million kroner, which compares with 54.7 million kroner in May and 52.2 million kroner in June last year. Comparing the first six months of 1927 and 1928, it appears that while exports totalled 333.7 million kroner last year the amount this year is 336 million kroner. Imports increased from 443.6 million to 500 million kroner, the latter figures also including ships imported from abroad, amounting to 17.9 and 37.6 million kroner respectively. Activities on the Bourse have been rather limited, as usual at this time of the year, with the exception of whaling shares, which may be said to experience a boom. Most of the companies have been able to register fair quantities of oil, and oil prices keep firm. Two new whaling companies were recently floated with a total capital of 6 million kroner, the whole of which was over-subscribed in a very short time. Industrials are somewhat firmer on account of the settlement of the dispute in the building and printing industries. To everybody interested in Norwegian banking it will cause sincere regret to learn of the recent death of Mr G. Kamstrup Hegge, managing director of Den Norske Creditbank, Oslo, and president of the Norwegian Bankers' Association. Mr Kamstrup Hegge has been connected with Norwegian banking for a number of years, and his activities as a banker in the influential position he occupied have been of great importance to Norwegian banking policy.

Oversea Correspondence.

FRANCE.—BANK POSITION AND POLICY—TRADE BALANCE—IRON AND STEEL PRODUCTION—LIVESTOCK REPLENISHMENT—INCREASE IN MOTOR CARS.

(FROM OUR CORRESPONDENT.)

PARIS, July 24.

THE third of the Bank's weekly statements since stabilisation was accomplished, which was issued last Thursday and sets forth the situation down to July 12th, shows that as the result of the various operations carried out during the previous four weeks the total gold in hand to cover the institution's sight engagements (note issue, Treasury and Caisse d'Amortissement and other creditor accounts, &c.), which now total 73,783,345,810f, amounts to 29,403,240,563f. This is equivalent to 39.85 per cent. of cover, as against 40.45 per cent. at the moment of stabilisation. The minimum proportion fixed by the Stabilisation Law, it will be recalled, is 35 per cent.

The fractional drop in the percentage of cover since July 25th has been due, firstly, to a temporary increase in the note issue of 1,855,632,540f (from 58,772,461,105f to a new record total of 60,628,093,645f), which became necessary on June 29th (of which increase 566,391,885f, or approaching one-third, has since been wiped out); and, secondly, to increases in the credit balances of the Treasury current account (from 4,555,401,434f to

6,792,958,811f), and of private current accounts and deposits (from 4,934,827,786f to 5,903,518,876f), less a drop in the Caisse d'Amortissement account from 1,932,984,505f to 620,092,607f. This latter balance has been reduced by 1,313 millions owing to the discounting of Defence Bonds effected by the Caisse on July 1st, in conformity with the agreement between the State and the Caisse in connection with the last conversion loan.

On the same date the Treasury, in conformity with the Stabilisation Law, liquidated the balance of the sight deposits held by it on behalf of private depositors. Notwithstanding this reimbursement, the amount lying to the credit of the Treasury at the Bank is still well over 1,700,000,000f more than its balance at the moment of stabilisation. This happy state of affairs is due in part in all probability to the State having been credited by the Bank with interest accruing to it from its earnings in connection with exchange purchases, and also to the fact that the Treasury has been able to replace part of the amount that was required for end of the month disbursements. Direct taxation for the current year is now steadily flowing in, and will almost certainly continue to do so for some time. The present Treasury balance of 6,793 millions, it will be noted, is equivalent to more than double the amount of the 3,200,000,000f of the "loan without interest" permanently advanced to it by the bank, under the stabilisation scheme to replace it on an easy basis.

It is now perceptible that the object of the recent heavy French gold purchases was not merely to help the application of legal stabilisation, but to foster the development in Paris of a great international paper market (especially in the form of acceptances), of a similar character to those of London and New York. Analysis of the latest bank statements confirms that the new policy of the bank aims not only at safeguarding the franc, but at extending the international rôle of the French market. Simultaneously the Bank of France—whose policy even before the war gave rise to the legend that it was tending more and more to assume an academic attitude that was causing it to be more and more aloof from the rest of the market—is actively showing intentions of working in closer association with the rest of the banks. The danger that may threaten the French system of credit, if official rates continue to stand at from two to three points above those prevailing in the free market, is obvious, and there are now indications that the Bank is determined in future not to tolerate the existence of the enormous mass of notes and credits which during recent years has entirely escaped its control, and thus appreciably hampered the Bank's general monetary policy. This development confirms also the general belief here that in future France will work much more closely in association with London and New York in international financial policy, than she has ever consented to do in the past.

The foreign trade returns for June disclose total imports valued at 4,701,036,000f, against exports of 4,214,438,000f, the adverse balance for the month being 486,598,000f (against one of 93 millions in June, 1927). This brings the total excess of imports over exports for the first six months of the year to 1,077,282,000f, as compared with an adverse balance of only 223½ millions during the corresponding period of last year. Both imports and exports showed a substantial falling-off in value as compared with the first half of 1927, imports having dropped 737,682,000f, while exports were 1,591,314,000f down. While exports dropped nearly 7 per cent. in value during the half-year, however, their tonnage was over 10 per cent. more—thanks to an increase of 1,638,470 tons in exported raw materials and of 283,493 tons in foodstuffs. Exports of manufactured goods were 19,334 tons less, while imports of the same category of products were 50,589 tons more. Although the value of imports was about 2½ per cent. less, their tonnage was 2,103,930 tons (over 8 per cent.) less. This tonnage decrease was largely due to the drop of 1,600,000 tons in coal imports since the beginning of the year. The drop of over 1,000,000 tons in imports of foodstuffs was partly compensated by the large increase in imports of manufactured goods. The heavy increase in the adverse trade balance, owing to the falling-off in exports, during what may be termed the last six months of the pre-stabilisation period, may fairly be ascribed to difficulties of price adjustment, caused by pending stabilisation.

Iron and steel (provisional) production figures for June disclose a drop in the output of iron, and a fractional rise in the quantity of steel. The French iron output totalled 844,000 tons, as compared with 870,000 tons in May and 834,000 tons in April. Steel production is returned as 797,000 tons, against 794,000 tons in May and 736,000 tons in April.

A minor but significant indication of the extent to which France has made good her war losses is furnished by a return issued by the Ministry for Agriculture giving the present situation of the nation's stock of farm animals, as compared with that in 1913. This shows that French livestock, which sank to a much diminished total during the war, stood as follows at the end of 1927:—

	1927.	1926.	1913.
Horses	2,927,230 ..	2,893,960 ..	3,220,080
Mules	182,720 ..	184,810 ..	188,280
Donkeys	259,800 ..	263,630 ..	356,310
Hoofed cattle	14,940,963 ..	14,482,440 ..	14,787,710
Poultry	10,693,120 ..	10,775,260 ..	16,131,390
Pigs	6,019,450 ..	5,776,900 ..	7,035,850
Goats	1,405,050 ..	1,388,490 ..	1,434,970

The fact that the stock of horses is now within less than 10 per cent. of its pre-war strength and continues to increase is notable, in view of the enormous development of motor traction of every kind and of the very substantial diminution in the stock of Army horses since 1913.

The rapid increase in motor traction in France during recent years is shown by the following return of motor vehicles on which duties were paid in this country during 1927, as compared with previous years:—

Year.	Touring Cars.	Light and Heavy Lorries.	Cycle Cars.	Motor Cycles.	Motor Boats.
1920	156,872 ..	79,076 ..	814 ..	50,583 ..	618
1925	476,431 ..	244,875 ..	29,530 ..	117,389 ..	2,698
1926	541,438 ..	267,470 ..	27,541 ..	137,979 ..	2,887
1927	642,744 ..	306,452 ..	27,450 ..	232,201 ..	3,313

The total horse-power involved rose during the seven years from 2,902,717 to 9,147,353, and the yield in taxation from 313,500,000f in 1925 to 622,500,000f in 1927.

GERMANY.—CREDIT—FINANCES—EMPLOYMENT—COAL POSITION—FOREIGN TRADE—RAILWAYS—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, July 24.

THE demand for day and month money last week continued heavy, but on the first two days of this week day money was abundant at from 6 to 8 per cent. Month loans were in demand at 7½ to 9 per cent. The contango rate was to-day raised by the banks to 8½-8¾ per cent. The private discount rate remains 6½ per cent. In general money rates are higher than at the same period of June, and in view of the nearness of the month-end settlements and of the agricultural demand in August no considerable fall is expected.

The Reichsbank's return for the second week of July showed an abnormally small contraction of credit, and this revived talk about a possible advance in the discount rate. The discount portfolio declined by only 62½ million marks, advances by 16½ million marks, and circulation by 201½ million marks. The drop in discounts during the first half of July was only 235 million marks. In April, the last preceding month that corresponds, discounts in the first half-month declined by 403 millions; in January, in the first half of the month, by 798 millions. Although the discount portfolio is again up to the level of mid-April, there is no reason to expect an advance of the rate; but this month's unexpected development seems to justify the Bank in rejecting the demand to reduce the rate on the mere strength of the status improvement of May and June. Gold purchases from Russia, which are shown in the returns for the first and second weeks of July, are stated to be continuing. The bill-stamp returns agree with other data, showing that trade is declining. The value of bills drawn in the first half of 1928 considerably exceeded that of the corresponding half of 1927, but

whereas in 1927 the value rose from month to month, this year it has declined, though irregularly.

The Bill reducing the wages income-tax, reported last week as passed by the Reichstag, has got through the Reichsrat. The Bill was opposed by the largest States and by several Prussian provinces. The demand was made that as 75 per cent of the income-tax yield goes to the States, no further measures of the kind should be taken except in connection with the definitive settlement (*Ausgleich*) of the financial relations between Republic and States. The yield of all taxation in June was 556,232,365 marks, as against 647,200,269 marks in May, which, however, contained quarterly property-tax payments. Figures for the first quarter of the financial year 1928-29, as compared with the year's estimated, are:—

	April-June. Marks.	Year's Estimated. Marks.
All taxes	2,807,658,877 ..	8,862,000,000
Thereof—		
Income	731,310,791 ..	2,900,000,000
Corporation Income	117,540,984 ..	550,000,000
Property	100,860,504 ..	520,000,000
Turnover	237,224,167 ..	1,050,000,000
Motor vehicle	52,691,176 ..	160,000,000
Railway transport	86,849,929 ..	340,000,000
Controlled revenues	627,595,724 ..	2,760,000,000
Thereof Customs	254,292,575 ..	1,200,000,000

The total yield in the three months, 2,807½ million marks, is less than one quarter of the year's estimated 8,862 million marks. The reason for this is that balances due by taxpayers on their final assessments for the preceding calendar year, as well as certain Customs liabilities, are payable in later quarters of the financial year. While the next three quarters will probably show larger tax yields, the financial outlook is not too favourable. The reduction of the wages income-tax, which comes into force on October 1st, will cost some 70 million marks; and the now visible slackening of trade raises the question whether it was wise to base the current, 1928-29, Budget on the exceptional prosperity of 1927.

The wholesale prices index number for July 18th is 141.0, as against 141.5 on the 11th. The index numbers for vegetable foods, fodder, and livestock have fallen sharply. The trade union reports for June are unfavourable. Whereas the fully unemployed declined only as compared with May from 6.3 to 6.2 per cent. of all members, the partly unemployed have risen from 4.8 to 5.6 per cent.

The coal trade here has somewhat improved. The change announced in the British Parliament to-day in the date of the freight reductions is described here in some journals as "a Governmental gesture," which is not sufficient to foster the export of British coal, and in others as "an emphatic fighting measure." The normal effect of any measure which reduced the price of British export coal would be to compel the Ruhr Syndicate again to draw in its horns in the "competition districts" (in Germany or outside); but on this point there are strong differences of opinion between syndicate members. All increases of syndicate sales in "competitive districts" involve an increase in the tonnage assessment upon members. In the first half of July sales in the competition districts further increased. In June 40.81 per cent. of all syndicate deliveries were to "non-competition districts" and 28 per cent. to "competition districts," the remaining 31.19 per cent. being consumed by member companies, or used directly by the mines. The tonnage assessment is now 2.20 marks, as against 1.48 marks in April and 1.38 marks in March. A new report of the Federal Coal Council puts the output per shift per man in the first quarter of 1928 at 1,176 kg, as against 1,138 kg in the corresponding quarter of 1927, 857 kg in 1924 and 936 kg in 1913. The average wage per shift in the first quarter of 1928 (before the 8 per cent. wages rise of May) was 8.24 marks.

The June foreign trade return is chiefly notable for the fact that it shows, for the first time since January, an increase in imports. The increase, which is in the groups foodstuffs and raw and half-manufactured materials, is small, but as exports are practically unchanged, the import surplus, which declined heavily in May, has again increased. The June totals (without precious metals) are: imports, 1,108 million marks; exports, 895 million marks. For the first half of 1928 the figures (again without precious metals) are: imports, 7,202½ million

marks; exports, 5,540 million marks; passive balance, 1,662½ million marks. The passive balance of all 1927 was 3,924 million marks. The following table shows the monthly movements this year (without precious metals):—

(Millions of Marks.)

	Imports.	Exports.
January	1,357	862
February	1,247	942
March	1,229	1,022
April	1,175	924
May	1,086	895
June	1,108	895

In spite of the fairly rapid growth of exports in the last four years, and of the recent decline in imports, there seems to be little chance of attaining regular export surpluses for some time to come. The demand for borrowed foreign capital shows no sign of ceasing, and it continues to bring in a great quantity of goods which are used for investment and expansion. The new setback in trade has not checked this capital movement. In this respect the position differs from that of 1926, when the trade setback was accompanied by very cheap money at home, so that there was no net import of capital. In that year (including Reparations deliveries in kind) there was a considerable commodities export surplus.

The Government has refused its consent to the increase of rates and fares demanded by the Railways Corporation. The data given by the corporation, it declares, do not prove the necessity of an increase. The question whether there will be an increase, and by what amount, will therefore go to the Special Tribunal created by par. 44 of the Railways Law. If either the Government or the railway company considers the Tribunal's decision liable to imperil the service of the Reparation bonds, it may appeal to an arbitrator (par. 45) appointed by the President of the Permanent Court of International Justice. The Railway Corporation's return for May shows a deficit, receipts being 415,129,000 marks, and expenditure (including the bonds service and payments to reserves) 440,905,000 marks. The deficit is due to larger than usual construction works and payments for rolling stock.

The Bourse last week was very dull. The average quotation fell slightly, but most of the favourite stocks in the "futures" list rose slightly. The present week began with a moderate drop, but to-day the tone was firmer, with foreign buying of electricals. The *Frankfurter Zeitung's* stocks index for July 20th (on basis 100 as average of all 1926) shows 141.29, as against 141.80 on the 13th, and 177.46 on May 2, 1927, the highest point so far reached.

ITALY.—BOURSE SLACKNESS—REDUCTION OF EXPENDITURE—MUSSOLINI ON DEVALUATION RUMOURS—BANK OF ITALY REFORM—GOLD OR GOLD SECURITIES?

(FROM OUR CORRESPONDENT.)

TURIN, July 17th.

SUMMER, as usual, means less business for Italian bourses. The volume of transactions for 35 representative dividend-bearing securities, which had increased steadily from a daily average of 4.05 securities sold per thousand issued in December, 1927, to a maximum of 10.69 per thousand in the week from May 14th to 19th, decreased again more rapidly to 2.25 per thousand in the week from July 2nd to 6th. The average level of quotations decreased also, however not touching such low bottoms. The general average (December, 1925 = 100), which had risen from 64.06 on July 29, 1927, to 80.25 on December 31, 1927, and to a maximum of 90.56 on May 26, 1928, fell to 82.94 on July 6, 1928. Inquiry into the causes of the morose behaviour of the bourses does not reveal a worse outlook in industry. Commodity prices have not receded, industrial half-finished products hovering between (basis 1913 = 100) 446.4 in December, 1927, and 445.5 in June 1928, and finished products between 560.9 and 568.7, while national products in general rose from 473.8 to 485.3 and export products from 461 to 479.9. Unemployment is decreasing; after reaching 439,211 at the end of January, the figure fell regularly to 306,629 at the end of May, while partially-

employed men decreased from 133,420 at the end of November, 1927, to 45,569 at the end of May.

Current talk relates the modest rise and subsequent slump in Italian bourses to the more spectacular recent movements in New York, Paris, and other foreign Stock Exchanges. Foreign investors had begun to take interest in Italian variable dividend securities, which were deemed to be at a too low level, and the interruption in June and July of such foreign purchases in a market where national investors are timid may have contributed to bring about a revulsion of prices. A contributory cause of the spring rise may have been the impending stabilisation of the French franc. When stabilisation at about 125f to the pound sterling seemed imminent, some faint hope began again to be felt among struggling industrialists that Italy would follow suit and revise her level of stabilisation from 92.46 to about 120-125. If such a feeling was really widespread, and if it was a real factor of the May rise in the Bourses, is doubtful. It is certain that Signor Mussolini, in his usual trenchant manner, put an end to such wild hopes, for in a speech before the representatives of Italian industry assembled in Rome on June 22nd, he said: "Talk about the Government revising the stabilisation level in imitation of what France is about to do is grotesque, and the sales of lire to that end are criminal. These attempts to depress the lira will be again unflinchingly dealt with. On the basis of the present level there is already established an equilibrium which it would be sheer madness to change or imperil. The Government could not remain an hour more in office if it were guilty of such folly."

The stabilisation decree of December 21, 1927, has had a sequel in a decree of June 17, 1928, and in the decisions of the general meeting of the Bank of Italy's shareholders held in Rome, June 18, 1928. The administration of the bank of issue will be henceforth in the hand of a Governor (Signor Stringher), with a general director and a vice-general director as his executive officers. They are elected by the general meeting of shareholders, but are approved by the Treasury. Shareholders will be represented by a general council, whose functions will be more supervision than effective direction. The capital will be increased from 240 to 500 millions lire issued and from 180 to 300 millions paid up. Of the new 200,000 shares, 100,000 are allotted to old shareholders without further payment, in consideration of old reserves, and 100,000 are allotted at the price of 1,300 lire each to Italian savings banks. Most important, from a general point of view, are the new regulations with regard to note issues. The Bank is obliged to hold a reserve in gold foreign securities of at least 40 per cent. of her total current debts, i.e., notes, cheques, current private deposits and Treasury deposits up to 300 millions lire. If the reserve should decrease below the 40 per cent. level and not below 30 per cent., the Bank will pay a tax equal to the official rate of discount increased by 10 per cent. For every further decrease of 10 per cent. in the reserve the tax will be further increased by 10 per cent. The notes and cheques not covered by gold reserves will be subject to a tax of 1.5 per cent.

The Treasury can ask from the Bank advances up to a maximum of 450 millions lire at 2 per cent. yearly interest. Notes issued against such advances must be covered by the usual reserve of 40 per cent., but their uncovered portion is not subject to the ordinary 1.5 per cent. tax. No fixed proportion between the gold and gold securities portions of the reserve will be compulsory. Signor Stringher, in his report, uttered prudent but very significant hints about his intention of increasing the gold at the expense of the gold securities portion. The first and the last balance-sheets published by the Bank after the December 21, 1927, decree may be, from this point of view, summarised as follow (in millions of lire):—

	Jan. 10, 1928.	Per Cent.	June 20, 1928.	Per Cent.
1. Gold	4,547.1	37.5	4,886.8	40.1
2. Gold securities—				
Foreign bills & deposits	6,694.8	55.3	5,605.0	46.1
Foreign States bills	864.0	7.2	1,681.9	13.8
	12,105.9	100.0	12,173.7	100.0

The interesting features are, first, the increase of gold proper and next the preference given to investments in

foreign States bills as against private bills and banking deposits. As yet the increase in gold is not very marked, but Signor Stringher observes that the Bank of Italy "is not alone in the world, and we must not be at a lower level than other central banks of issue, which intend to give to their notes a real guarantee. We must not be in a hurry, but we must persevere patiently and continually in the same direction." Which words mean, if they have any meaning at all, that the Bank of Italy's future gold policy will be to increase slowly her gold and diminish her gold securities reserves, so as to be able to abandon the present gold exchange standard in favour of a gold bullion or gold standard.

The replacement of Signor Volpi by Signor Mosconi as Finance Minister has taken financial circles by surprise, but has not had any marked influence on business. Signor Mosconi is a Senator and Councillor of State. He was a Prefect, and is considered as a new man in financial problems. Chamber of Deputies and Senate Budget Commission's reports urging economies in the public budget perhaps influenced the appointment. Certainly he has a very useful task before him in reduction of public expenditure.

AUSTRIA.—BANK RATE—BUDGET—AGRICULTURE AND TARIFFS—INDUSTRIAL SITUATION—TOURIST TRAFFIC.

(FROM OUR CORRESPONDENT.)

VIENNA, July 20th.

THE Austrian National Bank was the first of the European banks of issue to respond to the increase of the rediscount rate in New York; in Austria the rate was increased from 6 per cent. to 6½ per cent. The amount of available money in Vienna is in a very large measure dependent upon an adequate supply of dollar credits, even though such accommodation be only in the form of short-term loans. In conjunction with the last increase of the American rediscount rate in May, there was a falling off in offers of credit from the United States, and when later the Federal Reserve Bank of New York put its rate up to 5 per cent., important withdrawals of dollar credits were recorded in Vienna, and the rate of such loans rose to 6 per cent. first hand. In consequence of this the Austrian financial institutions made heavy applications to the National Bank. At the close of the half-year the National Bank showed unusual tension; the total circulation rose in the last week of June by 82 millions to 1.03 milliard schillings, and bills receivable by 76.6 to 167.6 million schillings, or by about 85 per cent. in a single week. The stiffening of the international money market prevented the return swing expected in the following weeks, so that the position at the middle of July showed no alleviation. In order to obviate an excessive call upon its resources, the National Bank was, therefore, obliged to resort to an increase in the bank rate, even though it would have preferred to get through the summer without taking this step. The other banks accordingly increased interest on overdrafts by ½ per cent., but this is not a matter of great importance to commerce and industry in general, for the average interest now paid on bank credit is already 12 per cent. On the other hand, deposits, the interest on which was 4 per cent. for balances withdrawable without notice, have not been accorded corresponding treatment. The change in the bank rate has not made itself particularly noticeable on the stock exchange. Business is so limited that there is money enough available for the turnover at the not inordinate rate of about 7 per cent., so that stock exchange money can even to-day be had cheaper in Vienna than in Berlin or, temporarily, in New York. The public utility share market is also but little affected by the rise in the bank rate, for the bulk of these securities, which are not very numerous in Austria, do not change hands. The very necessary extension of the utilities market is not being promoted by the State, as the latter desires to keep all possibilities open for eventual loan transactions at a later date. In spite of the postponement of the contem-

plated investment loan, there is no urgency in the matter. According to a report which has recently been published, the State has cash resources amounting to 422.6 million schillings. The accounting year 1927 was favourable, for, though it closes with a total deficit of 85 millions, this is offset by expenditure on investments amounting to 196 million schillings, so that the current budget shows a surplus of 110.7 millions.

The conversion of Austria to a protective tariff system in regard to agriculture now appears to be complete. The new commercial treaty with Hungary came into force on July 15th, and this means that from that date on the flour duty is 5 gold kronen instead of 1.70, the wheat duty 2 gold kronen instead of 0.25, and the duty on oats 1.50 gold kronen instead of 0.25. At the beginning of July another new commercial treaty was concluded with Yugoslavia, whereby Austria will be in a position (the treaty will probably become operative in autumn) to increase very considerably its protective tariff on cattle. Duties are to be raised as follows:—Non-fatted cattle for killing purposes from 5 gold kronen to 10, fatted cattle from 5 to 8.50, pigs for killing from 9 to 18, and, in accordance therewith, beef from 12 to 23, and pork from 12 to 30 gold kronen. Under these circumstances Austrian cattle breeding is now offered great possibilities of development. Naturally, these concessions from Yugoslavia, which has a big interest in the export of cattle and butcher's meat to Austria, had to be purchased at a high price. Austria was obliged to permit Yugoslavia, which represents a very important sales market for Austrian industry, to put up its duty on leading industrial export articles, such as hardware, paper, implements and machines. It is a striking feature of this treaty that, in spite of the many reciprocal changes of tariffs it contains, there are scarcely any reductions of duties. The trade-treaty negotiations with Germany, which were opened in June, have been interrupted and are to be continued again in autumn. In this case both parties' desires relate to industry, and it is hoped that facility in economic traffic will result in the two countries' mutual relations.

At the moment, the industrial situation is not unsatisfactory, a circumstance which is observable from the unemployment register. On July 1st there were 118,000 unemployed in the whole of Austria, as against 123,000 on June 15th. In the first half of July no change worthy of mention took place. The total number of unemployed on the dole is 27,000 lower than it was this time last year, which fact is the more significant, because last year many hands were dispensed with as a result of measures of rationalisation which were put into operation. Iron smelting, the breweries, the sugar factories, and the paper industry are very busy, and most of the branches of the hardware industry have no ground for complaint, at least, not in comparison with last year. Reports from the textile industry are rather more unfavourable. Owing to the bad weather which prevailed until late in June, commerce was at a disadvantage, and many season goods in the clothing industry have been left on stock. For this loss, however, business people are in some degree compensated by the big tourist traffic of the last few weeks. Long before the big German Singing Festival, for which 200,000 foreign visitors have gathered in Vienna, the influx of tourists had already begun, and was bringing animation into business life. An idea of the sums to be counted upon can be gained from the fact that transfers of schilling notes to Germany alone to meet the demands of prospective German visitors to Austria are estimated at 60 to 70 million schillings, which amount cannot represent more than a part of the total expenditure in Vienna of German visitors to the Singing Festival. Revenue from tourist traffic and from invisible exports will this year play a bigger role than ever in the Austrian balance of payments. This is especially important in view of the constant deficit in the balance of foreign trade, which this year shows no difference worth mentioning, on the basis of a fresh calculation, it is estimated that revenue from tourist traffic amounted to 140 million schillings in the year 1927, to which 40 millions under the heading of invisible exports must be added. The visible exports can only be improved slowly. The biggest trade is with Germany. During the first five months of the present year goods to a value of 185 million schillings went to Ger-

many, as compared with 131 millions in the corresponding period of last year. On the other hand, in spite of the great effort and in spite of the fact that a guarantee against loss was assumed by the State and by the local governments of Vienna, Lower Austria, and Styria, it was impossible to promote exports to the Soviet Union; they remained at exactly the same figure as last year, viz., 17.8 million schillings.

DENMARK.—UNEMPLOYMENT POSITION—STABLE PRICES—MONEY MARKET—TRADE BALANCE—POLISH VERSUS ENGLISH COAL.

(FROM OUR CORRESPONDENT.)

COPENHAGEN, July 16.

SUMMER slackness is the keynote of the Stock Exchange—as well as of trade generally—although some seasonal industries are decidedly active. At the end of June the percentage of unemployment in this country was 13.7 for all trades, against 14.3 at the end of May. The end of month figures for the last half-year were as follows:—29.6, 25.9, 21.3, 16.5, 14.3, and 13.7, which shows that the decline in June has been less than in the preceding months. At the end of June the number of unemployed was somewhat below the number a year ago, and considerably below the June, 1926, figure. But as compared with the years 1923-25 there was a considerable increase, which was likewise the case in comparison with pre-war figures (average for 1910-13) during which period the end of June figure was as low as 5 per cent. Accordingly the position is far from normal, and several lines of industry are in a difficult situation.

Farmers are looking forward to the harvest with some anxiety. The situation during the early summer has not been very promising owing to the cold and rather rainy weather, but the heat experienced lately will probably be of very great importance, if sufficiently lasting. The improvement provided by rising prices for butter and bacon was very welcome.

The decline of prices noted in England lately has not been traced in this country, the official index being unchanged at 155 for May and June (1913 = 100). The proportion between the prices of import goods, export goods, and home market goods was changed for the better in June, import goods being unchanged 151, while export goods rose from 129 to 134, while home market goods declined from 166 to 165. In June, 1927, the aggregate index figure was 152, and in the meantime no lower figure has been recorded, while the June, 1928, figure is the highest for the intervening year. Prices are thus decidedly stable, and great fluctuations are not expected in the near future, provided no great change takes place in the world price level.

The American money market is watched in this country with much interest. The Danish Bank rate is 5 per cent., and although the hope of an early reduction is now given up, it is generally believed possible to maintain the said rate even if the Bank of England should decide to increase its rate to 5 per cent. From several quarters it is pointed out that the Danish State was lucky in being able to place its loan of \$55,000,000 in New York at an effective interest rate of only 5.06 per cent. just before the turn of the market. Equally advantageous conditions would hardly have been obtainable later.

For the months January to May the Danish excess of imports was Kr. 57,000,000, against Kr. 44,000,000 for the corresponding period of last year. The figures for May showed a complete balance between imports and exports, with Kr. 141,000,000 each, and the excess of imports over the longer period is not sufficient to give cause for any anxiety.

In the trade report for 1927 of the committee of the Merchants' Guild reference is made to the Polish attempts to make progress in the Scandinavian coal market. As will be known, Poland has succeeded in placing increased quantities of coal in Denmark. In this connection the report says: "England naturally views with disapproval the loss of old, faithful customers, and the placing of

orders elsewhere, but, presumably, the cause will be understood: lower prices, better sorted and more carefully screened coal of good quality supplied by the competitors from the South. However, there is no doubt that English coal merchants will do their utmost to regain the market." Later in the report it is stated that, presumably, some of the English mine-owners, who have not yet introduced modern technical improvements for cleaning, sorting and screening their coal, will have gathered that the demands of the purchasers in this respect must be fulfilled, and that—other things being equal—the orders will be placed where this is done, and yet it should be mentioned that in this country the desire to trade with England is sufficiently strong to ensure the preference of English coal under equal conditions.

GREECE. — THE RECENT CRISIS — MR VENIZELOS AND THE COALITION GOVERNMENT — PROJECTED REVISION OF GENEVA PROTOCOL.

(FROM OUR CORRESPONDENT.)

ATHENS, July 14th.

MR VENIZELOS's belated disagreement with the financial policy of Mr Kaphandares had as a sequel the resignation of the Coalition Government and the formation of a Cabinet by himself to hold a General Election. It would require much space to analyse Mr Venizelos's arguments against Mr Kaphandares's policy and the latter's reply to his former leader's criticisms. Sufficient to state that Mr Venizelos intends to obtain a revision of the Geneva Protocol, by virtue of which the Greek Stabilisation and Refugee Loan was raised and the new bank of issue established, which effected the legal stabilisation of the drachma.

The plan of Mr Venizelos consists:—(a) In suspending payment of the State debt to the National Bank amounting to Drs. 1,200 millions, and agreed to be settled by twelve annual instalments; (b) in distributing "gratis" to the shareholders of the National Bank the entire amount of the shares of the Bank of Greece—the sum of Drs. 400 millions, with interest at 8 per cent., representing the value of these shares, to be paid by the State to the National Bank, which has furnished the capital of the Bank of Greece, and which is bound by the said Protocol to issue these shares at par for public subscription in three equal instalments, the shareholders of the National Bank having a preferential right of subscription to half of them; (c) in revalorising the cover of the circulation in gold and gold bonds transferred by the National Bank to the Bank of Greece after 32 years, i.e., after the expiration of the right of issue of the Bank of Greece if not prolonged; the difference between the value of these assets at the old parity and that at the rate of stabilisation—that is, a sum of Drs. 1,120 millions—which should have been utilised to cancel part of the State debt, as was done in Belgium, Italy, and France, being then distributed between the State and the National Bank on the theory that this difference constitutes a profit for the Bank. This claim is based on the convention of 1921, stipulating that the State is entitled to the half of the reserve funds to be formed from profits earned by the National Bank after 1923, and that this half was to be paid over to the State after the termination of the National Bank's right of issue at the end of 1950.

In reply to the criticisms and plans of Mr Venizelos, the late Minister of Finance, Mr Kaphandares, stated:—(a) That payment of the State debt of Drs. 1,200 millions to the National Bank cannot be suspended, for it has nothing to do with the gold cover of the circulation transferred by the National Bank to the Bank of Greece, and, it may be added, credited by the latter to the former's account at the rate of stabilisation; (b) Mr Venizelos is confounding the interests of the National Bank, as a legal and economic entity, and those of its shareholders, taken individually. The distribution to these shareholders, free of payment, of the shares of

the Bank of Greece would not recompense the National Bank—and, indirectly, the country—for the blow that would be dealt it through depriving it of the sum of Drs. 1,200 millions, representing a recognised debt of the State to the National Bank; (c) it has been recognised and consecrated by a convention and a law that the cover in gold and gold bonds transferred to the Bank of Greece by the National Bank was a property of the latter acquired not through its right of issue, but out of accumulated profits from its commercial operations—the National Bank having been also and principally a commercial bank. The case of the banks of Belgium, Italy, and France is different. Once the cover was a property of the National Bank, the difference of the revalorisation also belonged to it. Nor is the State entitled to half of this difference under the convention of 1921. For no real profit has accrued to the Bank. It is only a book-keeping adjustment of the value of the cover to the new level of the currency that has taken place. This value has in substance remained the same; (d) the final profit to the public Treasury from the application of Mr Venizelos's plans would be a trifle—hardly Drs. 150 millions—as compared with the enormous damage that would be inflicted on the National Bank, already weakened as a result of the banking reform, to the national economy, and to the credit of Greece.

It should be observed that no revision of the Geneva Protocol—in which it is explicitly stated that the National Bank was to be credited for the gold assets constituting the cover of the circulation to be transferred to the Bank of Greece at the rate of stabilisation—can be made without the consent of the National Bank and the Council of the League of Nations. Mr Venizelos announced to-day his intention of going to Geneva for the purpose of correcting the "faults" committed by the previous Government. In fairness to everybody Mr Kaphandares should also be invited by the Finance Committee of the League to defend his policy and enlighten the Committee on the questions at issue. For were the plans of Mr Venizelos to receive application, serious and irreparable damage would be done, according to the consensus of competent opinion, not only to the National Bank, but also, through it, to the deeper and wider economic interests of the country. It should be added that, with the permission of the Finance Committee of the League and the authorisation of the Greek Minister of Finance, the National Bank had recently invited subscriptions for the whole amount—and not for the one-third only as fixed in the Protocol—of the shares of the Bank of Greece, for which a big demand had been existing for some months past—an action contrary perhaps to the strict letter, but absolutely conformable to the spirit of the Protocol. Now, as a result of Mr Venizelos's intervention, the issue has been restricted to 33,333 shares, out of a total of 80,000 shares—the shareholders of the National Bank receiving for the time being 20,000 shares, but paying their value as the remainder of the subscribers. The issue has been subscribed several times over.

Another point on which Mr Venizelos expressed disagreement with the policy of the Coalition Government is the terms of settlement of the Greek war debt to Great Britain and France. No steps, however, seem likely to be taken in the direction of modifying the respective agreements.

NEW ZEALAND.—IMPROVED TRADE BALANCE —BANKING—RECOVERY AND EXPANSION— NATIONAL INDUSTRIAL CONFERENCE.

(FROM OUR CORRESPONDENT.)

CHRISTCHURCH (N.Z.), June 15.

RETURNS of overseas trade now available up to the end of April show that the country has enjoyed an exceptionally favourable export season which promises a speedy recovery from the depression of the last two years. For the year ended March 31, 1928, exports totalled almost £55 millions, an increase of £9.3 millions over the pre-

ceding year. Comparing the same years, imports fell by nearly £4 millions to £44.4 millions. The balance of overseas trade for the year ended March last was particularly good, exports exceeding imports by £10½ millions, as compared with an excess of imports amounting to £2½ millions a year earlier. The favourable turn for the year is thus £13 millions. The following figures show how the trade balance has varied during the past six years:—

Year Ended	£ Millions.		Excess of Excess of	
	Exports.	Imports.	Exports.	Imports.
1923	45.5	37.0	8.5	..
1924	51.6	44.4	7.2	..
1925	54.8	49.8	5.0	..
1926	48.7	53.0	..	4.3
1927	45.7	48.2	..	2.5
1928	55.0	44.4	10.6	..

Several causes have operated to effect the improvement. There has been a general upward turn in prices of the pastoral products, which constitute more than 90 per cent. of the exports, and which has been most noticeable in the case of wool. The official figures, based on exporters' declared values, indicate a rise in average wool prices of 28 per cent., but some private estimates exceed this figure. The rise in prices appears to have been greatest in the coarser grades, and least in the finer counts. In addition, the quantities exported of wool, butter, cheese, meat, hides and tallow have all increased appreciably. On the other side of the balance, a steady downward drift of import prices, amounting to about 4 per cent. for the year, has been accompanied by a reduction in the quantities of many important imports, the reduction being most marked in semi-luxury goods, such as motor vehicles.

The great improvement in the trade balance has brought a corresponding, but later, improvement in the banking figures. The favourable balance of trade has meant that payments to the country have exceeded payments from it, hence under the exchange standard in operation bank deposits have increased, while advances have decreased. This improvement in bank credit in New Zealand must necessarily be balanced by a similar improvement in bank balances held for exchange purposes overseas, and may lead to lower New Zealand prices of sterling exchange. It is confidently anticipated, too, that the increase in funds available for banking purposes will bring about the early reduction of Bank rates on overdrafts, for which many commercial and producers' organisations are pressing. Bank returns of total deposits and advances in the March quarters of the past six years are as follows:—

March Quarter.	£ Millions.		Excess of Excess of	
	Deposits.	Advances.	Deposits.	Advances.
1923	48.7	42.5	6.2	..
1924	51.7	44.4	7.3	..
1925	53.1	43.7	9.1	..
1926	51.3	48.3	3.0	..
1927	48.5	50.8	..	2.3
1928	52.3	46.1	6.2	..

Though the good export season and the improvements in trade and banking figures have stimulated a more optimistic tone in business circles, where it is recognised that they promise the development of a considerable increase in business activity, there is as yet little sign in published statistics of any appreciable expansion. With the approach of winter the seasonal increase has more than balanced any cyclical decrease that might have occurred in unemployment, and relief schemes are being renewed to provide employment on public work during the slack season. Some slight net migration of industrial workers has also occurred during recent months. Figures for building permits, land transfers, mortgages registered and discharged, totalisator revenue, &c., usually good indicators of speculative activity, remain lower than the average of recent years, and no appreciable upward turn is yet discernible. But variations in the balance of overseas trade, dependent mainly on changes in export prices, are now well recognised as the major cause of cyclical movements in New Zealand. It was a fall of about 20 per cent. in export prices, combined with over-importation, that brought about the financial stringency and the depression of the last two years. It is now confidently ex-

THE MERCANTILE BANK OF INDIA, Ltd.

Head Office: 15, Gracechurch Street, London, E.C.3.

Capital Authorised	£3,000,000
Subscribed Capital	1,800,000
Paid-up Capital	1,050,000
Reserve Fund and Undivided Profits	1,584,848

Branches and Agencies:

INDIA, BURMAH, SIAM, CEYLON, STRAITS SETTLEMENTS, CHINA, PORT LOUIS, MAURITIUS and DUTCH EAST INDIES.

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes, and transacts banking and agency business in connection with the East on terms to be had on application.

Fixed Deposit Rates will be quoted on application. On CURRENT ACCOUNTS interest is allowed at 2 per cent. per annum on daily balances, provided interest for the half-year amounts to £1. JAMES STUART, Chief Manager.

pected that the rise in export prices and the relative under-importation, with their effect in increasing available funds, will ensure rapid recovery. But it takes time for the increased income from exports to circulate throughout the country. It is being freely stated that recovery is retarded because farmers are not spending their money, but using it to liquidate indebtedness to stock and station agents. The latter, however, are reducing their overdrafts at the banks, and the latter must necessarily find other avenues for investment. It appears probable that the real effects of the changed situation will not be felt fully until after the winter, and that the second half of the year should see a considerable expansion both of local business and of importations. For at the present time the trade balance is so exceptionally favourable, the excess of exports being much greater than is needed to pay the debit balance on invisible items, that, unless export prices fall, a considerable and early increase of imports is practically certain.

The National Industrial Conference, which has been deliberating on various aspects of industrial relations, and especially on the system of compulsory arbitration of industrial disputes, has now concluded its sittings and presented its reports. The latter are disappointing. In the opening stages of the Conference the Prime Minister pleaded for national rather than sectional outlooks, and stated his view and that of Parliament that the recommendations brought down should be unanimous. There is much evidence that great efforts were made to secure unanimity amongst interests which conflicted widely. Agreement was reached on minor issues, and the whole Conference recommended thorough statistical investigation as a necessary preliminary to effective handling of the present unemployment problem, and the investigation of alternative methods of administering workers' compensation, and drew attention to the need for careful supervision of immigration. But on the major issue, that of compulsory arbitration, separate reports were presented by the employers and the labour group. The employers supported the maintenance of the present machinery of Conciliation Councils and Arbitration Court, but desired reference of disputes to the Court from the Councils to be optional, and to occur only when at least all the conciliators but one on each side agreed to such a course. They held that compulsion had never been effective upon the trade unions; it should, therefore, not be forced upon the employers. The union representatives would not agree to this modification of the present system, and recommended the maintenance of the existing machinery, together with legislative authority to organise national and district industrial councils having powers to make awards similar to those of the Court and legally binding on the parties. They held that without compulsory awards serious exploitation of labour and industrial strife would occur. It is generally recognised, however, that considerable differences of opinion existed across as well as between the parties. Many manufacturers and members of the employers' association supported the principle of compulsory arbitration, while many farmers strongly opposed it, and the employers' recommendations represented a compromise between their divergent views. At the same time, many leaders in the stronger and more militant unions would be well content to see the present machinery scrapped, while in the smaller unions which have grown

up under the system and know no other, definite instructions were given to representatives to oppose any real modification. Constituted as it was, and confined in effect to representatives of such widely conflicting views and interests, little more could have been expected of the Conference, for it represented an attempt rather to reconcile opposing factions than a judicial investigation into the merits and demerits of compulsory arbitration as practised in New Zealand.

Letters to the Editor.

ROADS, RAILWAYS AND THE PUBLIC.

TO THE EDITOR OF THE ECONOMIST.

SIR,—In your issue of July 14th Mr R. Spicer suggests that your correspondent, Mr Allen, has not made a profound study of this subject. Mr Spicer, however, discloses the profoundness of his study by the care he takes to use only figures which suit his argument that the rate of increase in the cost of road maintenance was greater in the ten years which preceded the motor era than subsequently. Mr Spicer omitted to mention that the actual expenditure on roads in the years 1893, 1903 and 1925 was £9,195,509, £18,578,790 and £57,659,630 respectively; that the year 1903 coincided with the commencement of the activities of the then newly-formed Road Board, and when the expenditure included over £6,000,000 from loans representing improvements and new construction. Had the comparison been made with, say, the year 1907, when road expenditure was £13,643,940, the enormous increase in road costs would have been even more apparent.—Yours truly,

FELIX J. C. POLE.

Great Western Railway, General Manager's Office, Paddington Station, London, W. 2, July 19th, 1928.

ORGANISED MARKETING IN AUSTRALIA.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The contributor of the article on "Organised Marketing in Australia," published in your issue of April 21st, is not abreast of affairs in Australia, otherwise he would not have said that Governments did not sponsor attempts at price fixing.

Recently the Commonwealth Parliament passed a Bill making it an offence punishable by a fine of £100 or six months' imprisonment for any person to deliver to another person for carriage, or himself to carry, dried fruit from one State to another in Australia without a licence. The object of this drastic legislation is to maintain the local price of dried fruits at a higher level than the export parity.

The duty on imported butter has been increased to 6d per lb. During the ten months to April 30th only 400 tons of butter was imported from New Zealand, compared with an estimated Australian production during the same period of 100,000 tons. The duty has been increased in order that the Paterson levy of 3d per lb on butter consumed in Australia may be increased. Speaking at Kerang in support of a compulsory pool for wheat, the Commonwealth Treasurer (Dr Earle Page) said that the Government's policy of orderly marketing enabled a producer to obtain an "artificial price" in the home market, and that without such legislation the inevitable result of competition was to reduce the Australian selling price to the export level.—Yours, &c.,

W. L. RAWES.

Melbourne, May 31st, 1928.

Books and Publications.

NASSAU SENIOR.*

In the historical development of economic thought Nassau Senior occupies a place of distinction, but it has always seemed that his reputation might have been considerably enhanced if he had given a more matured expression to his early views on economics than those contained in his only general work, the article on "Political Economy" in the "Encyclopædia Metropolitana" of 1836. This article was compiled from lectures he had given as the first Professor of Political Economy at Oxford between 1825 and 1830. He was then a young man at the commencement of a career

* "Industrial Efficiency and Social Economy." By Nassau W. Senior. Original MSS. arranged and edited by S. Leon Levy. 2 vols. Henry Holt and Co., New York. \$8.

which gave him exceptionally favourable opportunities for observing contemporary economic conditions and for reflecting upon them. After serving on three Royal Commissions whose reports, largely his work, have occupied a prominent position in the economic literature of the 19th century (the Poor Law Commission of 1834, the Factory Commission of 1837, and the Commission on Handloom Weavers of 1841), he was again lecturing at Oxford as Professor of Political Economy from 1847 to 1852. In spite of his avowed intention to write "a great book.....on Political Economy as quickly as possible" (1847), no fresh treatise on the subject ever appeared from his pen, and the reissue of his Encyclopædia article in 1854 seems to have been without amendment.

What Senior was unable to accomplish in his lifetime Mr Leon Levy has attempted to do for him sixty-four years later. Senior's manuscripts, which include his two courses of lectures at Oxford, have been placed at Mr Levy's disposal by the kindness of the late Mr St. Loe Strachey and Mrs St. Loe Strachey, the economist's granddaughter, and he has evidently devoted an immense labour to their collation. Supplemented by a patchwork of extracts from magazine articles, printed reports, and personal journals, these lectures now appear under the pretentious and modern-sounding title of "Industrial Efficiency and Social Economy," with a full apparatus of notes, some of which seem to attempt the impossible task of bringing the book "up-to-date." It would have been much more to the point if Mr Levy had scrapped half the notes to provide for an introduction devoted to the development of Senior's thought and to his general position in the history of the subject. As it is the book is disappointing. On the general theory of economics Senior seems to have had little fresh to say, and the old topics—the instruments of production, productive and unproductive labour, the theory of value, diminishing returns, the abstinence theory of capital formation and the theory of population—remain much as they were in the encyclopædia article. For the whole theory of distribution hardly anything new is forthcoming, and in some respects (e.g., the theory of wages) the treatment is not so full as it was in the earlier work. It is still possible to admire the close observation, practical sagacity and firmness of judgment displayed by Senior which recall Bagehot and are in the best English tradition. The general superiority of Senior's views to much which passed for economic wisdom can be seen also in his criticism of contemporary and earlier writers, such as Ricardo, Malthus, James Mill, J. S. Mill, and Torrens. Yet in spite of much that is suggestive of future developments, Senior remains in general outlook among the writers of the "classical school," although in his writings the central doctrines are shorn of crudities which have afforded the chief material for the caricatures of later critics: the labour theory of value, the population scare, diminishing agricultural returns, and the iron law of wages.

THE AMERICAN TARIFF ON OILS.*

MR WRIGHT, who was employed as an expert on the staff of the United States Tariff Commission for five years, aims at a scientific and impartial survey of the effects caused by protective duties on various oils and fats. It is impossible to summarise all his findings; the general result is that you cannot predict the effect of an import duty on particular goods. While the Tariff Act of 1913 tended to lower duty, the Acts of 1921 and 1922 raised old duties and imposed new duties. This legislation was the direct result of the agricultural depression of 1920 and 1921; growers complained that the prices of their products were low in comparison with the prices of manufactured goods, therefore they demanded protection for themselves.

Now, oils are both foodstuffs and the raw materials of various trades. They are usually classified as soap-, food-, and drying-oils; but most oils can pass from one class to another, and one oil can be substituted if another is taxed. A further difficulty has arisen in the United States; the Philippine Islands have become oil

* "The Tariff on Animal and Vegetable Oils." By Philip G. Wright, with the aid of the Council and Staff of the Institute of Economics. The Macmillan Company, New York. \$2.50.

producers, and their products must be admitted free. Apparently the effects of the duties on imported oils are not very serious, since the States are large producers and sometimes exporters. But in the case of margarine, the Excise and Customs duty combined have practically deprived the poorer classes of a useful foodstuff. Cottonseed is a more important article of food than Englishmen would imagine. The tariff on it, and on peanuts and soya beans, did not have the expected result of stimulating home production, but reacted injuriously on soap-making and on the export trade in oils—in fact, some big exporters went bankrupt. Taxes on linseed and linseed oil, according to Mr Wright, hurt 99 farmers out of 100 for the benefit of one; he estimates that the American public paid 24 million dollars in order that some farmers might make 5 million dollars. Other duties are discussed, e.g., those intended to protect butter-makers, who are now threatened by the New Zealand farmer.

BOOKS RECEIVED.

[Brief mention of a book in this column does not necessarily mean that it will not receive fuller notice in a subsequent issue.]

F. Y. Edgeworth's *Contributions to Mathematical Statistics*. By A. L. Bowley, Sc.D., F.B.A. (London) Royal Statistical Society, 9 Adelphi terrace, W.C. 2. 5s.

By this monograph Dr Bowley has ensured that Professor Edgeworth's statistical work, less well known and less accessible than his work in the field of economic theory, shall not be lost. The different papers are not reprinted separately, but collated and woven together according to subjects. They are to a large extent rewritten, so that the student obtains indirectly the benefit of Dr Bowley's frequent discussions and correspondence with the author, which frequently illuminates dark places in the original work.

British Food Control.—By Sir William Beveridge. (London) Oxford University Press, Amen House, Warwick square, E.C. 4. 17s 6d net.

This is published under the auspices of the Carnegie Endowment for International Peace, and relates the history of British food control in fullest detail from beginning to end. Interesting morals are drawn in the concluding chapter. The text is generously illustrated by tables, and there are numerous statistical and other appendices.

International Labour Office: Studies and Reports, Series A, No. 29—Freedom of Association. Vol. II. (London) P. S. King and Son, Limited, Orchard House, 14 Great Smith street, Westminster. 5s net.

This volume covers Great Britain, the Irish Free State, France, Belgium, Luxembourg, Netherlands, and Switzerland, and is the most up-to-date work of reference on trade unionism in existence. The chief headings in each case are the history of the movement, the legal position of trade unions, and the possibilities and limits of trade union action.

Soviet Union Year Book, 1928. (London) George Allen and Unwin, Limited, 40 Museum street, W.C. 1. 7s 6d net.

Covers, in reference form, every conceivable aspect of Russian political and economic life. There is an appendix on the legal system, and the book is furnished with maps, plans, and a bibliography.

Grain Growers' Co-operation in Western Canada. By Harald S. Patton. (London) Oxford University Press, Warwick square, E.C. 4. 23s net.

A detailed history of grain growing in Western Canada, with a full account of the growth of co-operation and a discussion of the present position and future possibilities. There are several appendices, including one on sources.

The War Debts. By P. Dexter and J. H. Sedgwick. (London) Macmillan and Co., Limited, St. Martin's street. 6s 6d net.

Starting from the assumption that all essential facts relating to the Allies' debts to the United States are already known to the reader, the authors discuss the expediencies of the situation from an American point of view. The method of treatment excludes detailed examination of facts, but the book contains arguments which are refreshingly outspoken. Readers on both sides of the Atlantic will find much to agree with and something to disagree with.

Super-Tax and Sur-Tax. By Chas. H. Tolley. (London) Charles H. Tolley and Co., 4 Great Winchester street, E.C. 2. 2s 6d net.

This manual aims at making intelligible the complicated position which has arisen in respect of super-tax and sur-tax, and which was the subject of an article in last week's *Economist*. It discusses the various difficulties which arise during the transition period, and also sets forth the relevant legal decisions. The book is so arranged as to facilitate easy reference, and it is well indexed.

The League of Nations from Year to Year (October, 1926, to October, 1927). (Geneva) Information Section, League of Nations. 1s net.

An account of the activities of all departments of the League in the year 1926-1927.

Movimento Economico dell' Italia: Raccolta di Notizie Statistiche per l'anno 1927. (Milano) Banca Commerciale Italiana.

A statistical survey of banking and finance, agriculture, industry, commerce, transport, trade and prices in Italy during 1927. The legislation for the stabilisation of the lira is given in an appendix.

Poland's Westward Trend. By Ernest R. B. Hansen. (London) George Allen and Unwin, Limited, 40 Museum street, W.C. 1. 3s 6d net.

Calls attention to a growing tendency in Polish journalism, described in the foreword as "an unwholesome political propaganda." The author confines himself to a discussion of the published utterances of four leading Polish writers.

The Crown and the Courts. (London) Stevens and Sons, Limited, 119 and 120 Chancery lane, W.C. 2. 1s net.

A pamphlet stating the case for a change in the position of the Crown as a litigant. The need for facilitating actions against State Departments is vigorously illustrated, and the case supported by the citation of expert opinion.

The Property Companies' Year Book for 1928. Edited by A. Ornstein. (London) Property Companies' Year Book, Limited, St. Ermin's, S.W. 1. 7s 6d net.

This is the standard work of reference on property companies, and contains all available particulars of 400 companies; an account of the National Federation of Property Owners and Ratepayers; a list of building societies; and the authorised fees and commissions of various societies connected with the handling of property.

Building Societies Year Book, 1928. (London) Reed and Co., 37 Cursitor street, E.C. 4.

Contains the rules of the National Association of Building Societies, a list of its officers, an account of its annual meeting, a list of constituent societies, with some information about each, and a Who's Who of society officers. Viscount Cecil has written a foreword, and among contributors of special articles are Sir Josiah Stamp and Mr Hartley Withers.

Work and the Workman. By J. K. Ingram. With an introduction by Professor Ely. (Dublin) Eason and Son, Limited, Middle Abbey street. 1s net.

A reprint of an address to the Trades Union Congress in 1880.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2 :—

Industrial Transference Board Report. July, 1928. Cmd. 3156. 1s 6d net.

Colonial Reports. No. 1,387. Gilbert and Ellice Islands Colony, 1926-27. 6d net. No. 1,388. Tongan Islands Protectorate, 1927. 6d net.

Nineteenth Abstract of Labour Statistics of the United Kingdom. July, 1928. Cmd. 3140. 4s net.

Contains, in tabular form, information under 14 main heads, including population, employment, wages and hours of labour, co-partnership, trade disputes, industrial accidents and diseases, trade unions, co-operative societies, health insurance, and poor relief. Most of the social tables and figures relate to the years 1911-1927.

Return of the Budget of the Governor-General of India in Council for 1928-29. 1s 6d net.

United States. No. 2 (1928). Further correspondence with the Government of the United States respecting the United States proposal for the renunciation of war. Cmd. 3153. 3d net.

Postal Cheque System. Report of a Committee of the Post Office Advisory Council. Cmd. 3151. 3d net.

Report of the Chief Registrar of Friendly Societies for the year 1927. Part I., General. 1s 3d net. Part II., Friendly Societies. 3s 6d net.

The Stock Exchange.

EUROPEAN GOVERNMENT BONDS.

The recent appreciation in the price of European Government bonds has received less than its due share of attention—owing, doubtless, to the preoccupation of the investor (or his spokesman) with affairs in the industrial markets. While it may be too much to say that the foreign section of the Stock Exchange is still under a cloud, there is no doubt but that the catastrophic post-war period of frenzied Government finance and currency demoralisation has continued insensibly to affect the public attitude long after the passing of its worst effects.

The soundly constructive results achieved, however, in the last few years in the political, economic and financial spheres has gone far to give the possibilities of many European stocks a serious claim on the investor's attention. This fact can best be appreciated by reference to the recent movements of representative Government securities. We have, accordingly, extracted the records of a number of such stocks, which are summarised in the tables which follow. The first table shows the vicissitudes of various loans originally issued before the war, and contrasts their quotations and yields (a) on the eve of the cataclysm of 1914, (b) during the year following the cessation of hostilities, and (c) from 1924 to the present time. All "yield" figures have been calculated on the assumption that redemption will be effected at the latest date permitted under the terms of the respective issues, and are based on the prices quoted at the end of each of the periods in question (in 1928, at the prevailing quotation of July 25th).

ISSUES MADE BEFORE THE WAR.

Country.	Last Date Redeemable.	Prices and Yields.					
		June, 1914.	1919.	1925.	1926.	1927.	1928 (to Date).
A.—GREAT POWERS							
Gr. Britain— 2½ % Consols	After 23	Highest Lowest Yield %	75½ 73½ £3 6 6	60 49½ 4 18 6	58½ 54½ 4 11 0	56½ 53½ 4 12 6	56½ 54½ 4 9 9
FRANCE— 3 % Renten*	Perp.	Highest Lowest Yield %	85½ 83 £3 10 6	59½ 37½ 8 0 0	15½ 9½ 6 6 3	10 6 5 5 0	14½ 12 4 8 3
ITALY— 5% (Maremma Rly.), 1862	1900	Highest Lowest Yield %	99½ 96 £4 3 6	76 65 6 7 3	68½ 60½ 7 19 6	67½ 62½ 8 2 0	70½ 62½ 7 12 3
RUSSIA— 5% Loan— 1906	1906	Highest Lowest Yield %	102½ 101½ £4 18 6	60½ 34 nil	10 4½ nil	9½ 4½ nil	7 3½ nil
B.—SMALLER COUNTRIES.							
BELGIUM— 3% Loan 1914—	1910	Highest Lowest Yield %	82 81½ £3 14 0	72½ 55½ 6 15 0	75 71½ 5 15 9	74½ 70 6 1 9	82½ 74 5 2 9
BULGARIA— 4½% Gold Bonds, 1909	1910	Highest Lowest Yield %	84 81 £5 9 9	55 25½ nil	18 10 nil	30½ 15½ nil	30½ 21 nil
GREECE— 5% Loan, 1914	1915	Highest Lowest Yield %	.. .. ..	86½ 61½ £7 15 0	67 58½ 17 15 6	65½ 57 16 18 4	72 62 16 19 3
HOLLAND— 3% Inscribed	..	Highest Lowest Yield %	77½ 77½ £3 18 3	69 61 4 12 6	74½ 70 4 9 3	76½ 73½ 3 19 9	77 72½ 3 18 6
DENMARK— 4% Loan, 1912	1917	Highest Lowest Yield %	99 98 £4 2 0	84 67½ 5 18 6	82 36½ 5 9 0	85 80½ 5 9 6	85 82 5 5 0
NORWAY— 4% Loan, 1911	1917	Highest Lowest Yield %	99 97 £4 0 9	79½ 65½ 6 2 0	79 74½ 5 9 0	82 75½ 5 9 6	85½ 77½ 5 5 0
SWEDEN— 3½ % Loan, 1908	..	Highest Lowest Yield %	87 84 £4 15 3	69½ 61½ 5 11 6	78 71½ 4 14 6	77½ 73½ 4 12 3	80 75 4 9 3
SPAIN— 4% Bonds	Perp.	Highest Lowest Yield %	91½ 87½ £4 11 6	106½ 89½ 3 17 0	66½ 62½ 6 6 3	73½ 69½ 5 10 9	79 70½ 5 3 9

* Yields calculated at prevailing rate of exchange. † Without allowing for redemption.

The course of quotations for British 2½ per cent. Consols, inserted in order to provide a broad basis of comparison in other cases, indicates the distance still to be covered

before even the soundest Government stocks regain their pre-war basis of credit. The table reveals the striking contrast existing nine years ago between the investor's appraisal of the stocks of even the victorious Continental belligerents and of those of the neutral Powers. Both groups of securities have steadily appreciated in value in the interim (when allowance is made, as in the case of France, for exchange fluctuations), but the process has been, on the whole, more rapid in the case of the "belligerent" stocks, and the distinction in the matter of yield between the two has tended to disappear. Only two post-war "defaulters" appear in the list, Bulgaria's action being largely involuntary, while Russia is an offender "on principle." The figures suggest a conclusion not altogether pleasing to British readers—that our national credit has improved of recent years less markedly than that of many of our neighbours, so that European Government stocks which in 1914 were on a much higher yield basis than our own now give a yield which does not in many cases differ very considerably from that of 2½ per cent. "consols."

Particulars are given in the second table of various loans issued since the war:—

ISSUES MADE SINCE THE WAR.

Country.	When Issued.	Last Date Redeemable.	Issue Price.	Price and Yields.			
				1925.	1926.	1927.	1928 (to Date).
A.—"LEAGUE OF NATIONS" LOANS.							
AUSTRIA— 6% Gold Ster. Bonds	1923	1943	80	Highest price 100½ Lowest price 92½ Yield—% £6/0/0	102½ 98½ 6 0 0	104 98½ 6 1 0	104½ 99½ 5 15 3
HUNGARY— 7½% Sterling Bonds	1924	1944	88	Highest price 101½ Lowest price 91½ Yield—% £7/9/3	103½ 96½ 7 6 0	105½ 101 7 5 0	105½ 100½ 7 5 0
GREECE— 7% Refugee Loan	1924	1964	88	Highest price 94½ Lowest price 86½ Yield—% £7/16/3	94½ 87 7 9 3	100 92½ 7 1 6	101½ 98½ 7 0 0
6% Loan	1928	1968	91	Present price .. Yield—% ..	.. ..	.. ..	91 6 13 0
DANZIG— 7% Bonds.....	1925	1945	90	Highest price 94 Lowest price 87½ Yield—% £7/17/6	96 89½ 7 11 0	100½ 93½ 7 8 0	99½ 95 7 13 0
BULGARIA— 7% Settlement Loan	1926	1967	92	Highest price .. Lowest price .. Yield—% ..	.. .. ..	93½ 86 8 0 0	92 87½ 7 18 3
ESTONIA— 7% Loan	1927	1967	94½	Highest price .. Lowest price .. Yield—% ..	.. .. ..	.. .. ..	92½ 91½ 7 6 0
B.—OTHER LOANS.							
GERMANY— 7% Sterling Bonds	1924	1949	92	Highest price 103½ Lowest price 97½ Yield—% £6/15/6	107 101½ 6 12 9	108½ 100½ 6 13 0	107½ 103½ 6 11 0
BELGIUM— 7% Stabilisation } Loan	1926	1956	94	Highest price .. Lowest price .. Yield—% ..	103½ 101½ 6 13 0	109 102½ 6 3 3	110½ 107½ 6 0 6
CZECHOSLOVAKIA— 8% Sterling Bonds	1922	1952	96½	Highest price 107½ Lowest price 98½ Yield—% £7/12/0	106½ 102½ 7 3 9	111½ 106 6 14 9	113½ 109 6 10 0
FINLAND— 6% Loan	1923	1963	90	Highest price 92½ Lowest price 85½ Yield—% £6/16/3	94½ 89 6 12 0	97½ 90½ 6 8 6	98½ 94 6 3 3
NORWAY— 6% Loan	1921	1964	88	Highest price 105½ Lowest price 100½ Yield—% £5/14/0	105½ 101 5 12 0	105½ 101½ 5 10 0	105 102 5 15 9
POLAND— 7% Stab. Loan ..	1927	1947	92	Present price .. Yield—% ....	.. ..	.. ..	92 7 16 6
ROUMANIA— 4% ex. Ster. Bds..	1922	1942	67	Highest price 66½ Lowest price 59 Yield—% £3/4/0	72½ 62½ 7 5 0	72½ 66 8 0 0	73½ 68 8 7 3

Whenever the market price has exceeded the redemption price, it has been assumed, in calculating the yield, that the borrower will exercise any option of repayment he may possess at the earliest possible date.

The figures for the group of securities at the head of the table are a testimony to the service performed by the League of Nations in rehabilitating the finances of various European countries which a few years ago would probably have found it impossible to raise a loan in London at

any price. These issues form a most interesting chapter in post-war international finance, proving, as they do, that an extra-national body of unquestioned authority can restore public confidence in the obligations of a stricken nation without itself guaranteeing a penny of interest or principal. The League in every case has endeavoured to mobilise the credit of the borrower. It has insisted on budgetary reform, and frequently on temporary financial supervision, and has ensured the strictly productive use of the proceeds. The success of its policy is shown by the fact that each non-guaranteed issue (the Austrian loan, a pioneer emission, carried the joint guarantee of eight nations) has been floated more advantageously for the borrower than the last, and substantial capital appreciation has followed in every case.

Of the "other loans," that of Germany, issued in connection with the implementation of the Dawes Reparation settlement, stands in a class by itself, as does the Belgian 7 per cent. stabilisation loan. That the investment rating of all European Governments is by no means identical is clear from a glance at the differing interest yields prevailing in this latter group at present, but in no instance has that rating failed to improve over the last few years.

What appeal do the stocks dealt with in this article make to the investor of to-day? The prospects of an eventual return on the pre-war issues of Russia, and of those countries burdened with an onerous (and undecided) Reparations liability, are certainly not to be ruled out, but they are sufficiently remote to render the stocks of interest only to the most speculative operator. The remaining stocks included in our first table are, for the most part, securely held by more conservative investors. With a few exceptions they are the obligations of well-established Governments, and future capital appreciation must depend chiefly on a long-term decline in rates of interest the world over. We have set forth the reasons for our belief in the likelihood of such a contingency in earlier articles in the *Economist*. The securities in our second table, however, all issued during the last seven years, give a yield sufficiently high to suggest the continued presence of an element of "insurance against risk," though to a diminished extent as compared, say, with 1924 or 1925. In other words, an appreciable amount of slack still remains to be taken up—particularly as regards the "League" issues—and the investor in these stocks is, in fact, buying a share in the "equity" of good government in the Continent of Europe. The general return to the gold standard, the restoration of balanced national budgets, and the increasing productivity of European industry and agriculture, have all appreciably raised the value of that equity. The Dawes Scheme and the Locarno Pacts have severally exerted a noteworthy influence to the same end. Any further measures which may be taken to enhance European political security and diminish the risks of future war will operate in like fashion. One consideration must, however, be kept in mind—that the relatively early dates of redemption (optional or compulsory) of many of these stocks will tend to limit their appreciation in market value. This is a factor the effect of which will increase as time goes on.

THE WEEK IN THE MARKETS.

SETTLING DAYS.

TICKET. ACCOUNT.
August 14. August 16.

The Stock Exchange entered without enthusiasm upon the three weeks' account, which will include the August Bank Holiday period. The account just closed was on a modest scale, and carry-over arrangements were made without difficulty, the contango rate in the industrial markets seldom exceeding 6-7 per cent. The general tone was inclined to weakness on Monday and Tuesday, but a better tendency was subsequently in evidence, mainly as a result of improved advices from the Continent, and the re-entry of New York as a buyer, on a moderate and chastened scale. No substantial increase occurred, however, in the volume of business done, and all available evidence points to a continuance of the present quiet conditions for the duration of the current account.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
Conv. Loan 3½ %	77½	77½	—	Treasury 5 % (B)	101½	101½	—
Do 4½ % 1944	98½	99	+	Palestine 5 % 1942-67	104½	104½	—
War Loan 5 % 1929-47	101½	102	+	S. Africa 5 % 1945-75	102	102	—
Do 4 % (tax free) 1929-42	101	101½	+	Canada 3½ % 1930-50	82	82	—
Consols 2½ %	55½	55½	—	India 3½ %	71½	71½	—
Do 4 %	86½	86½	—	Commonwealth 5 %	99	99	—
Victory Bonds 4½ %	94½	94½	—	N.S. Wales 5½ % 1922-32	100	100	—
War Bonds 5 % 1929	105	105	—	N. Zealand 5 % 1946	103	103	—
Local Loans 3 %	65	65½	+	Victoria 5½ % 1930-40	101	101	—
				Nigeria 6 % 1949-79	113	113	—

Foreign Government Securities.

Japanese 6 % (1924)	109	100	—	French 5 %	181	181	—
Tokyo City 5½ %	91	91	—	Do 4 % (Brit.)	153	153	—
Argentine 4 % Recons.	86	86	—	German 7 %	106½	106½	—
Austrian 6 % 1923-43	101	101½	+	Greek 7 % Refugee	100	100	—
Belgian 7 %	109	109	—	Hungary 7½ %	104½	104½	—
Brazil 9 % Funding	90	89½	—	Chili 6 %	99	99	—
Bulgaria 7 %	89	88½	—	Italian 5 % (Marm.Ry)	70	70	—
China 5 % (1912)	45	44½	—	P.L.M. 6 %	100½	101½	+
Egypt Unified 4 %	85	84½	—	Poland 7 %	98	98	—
Estonia 7 % 1927	96	96½	+	Mexican 5 % (1899)	48	48	—
Finland 6 % 1923	98½	99	+	S. Paulo Coffee 1½ %	104	104½	+

British and Foreign Railways.

G. Western Ord. Stk.	86	84½	—	Antofagasta Ord. Stk.	87½	87½	—
L.N.E. Def. Stk.	12	11	—	B.A. & Pacific Ord. Stk.	88	89½	+
Do 5 % Pref. Stk.	24½	23½	—	B.A. & S. Africa Ord. Stk.	101	105	+
L.M.S. Ord. Stk.	59	56½	—	B.A. Western Ord. Stk.	88	89½	+
Metropolitan Cons. Stk.	68	68	—	Can. Pacific Cons. Stk.	209	212	+
Met. District Ord. Stk.	75½	73½	—	C. Argentine Ord. Stk.	91½	93½	+
Southern, Def. Stk.	31½	30½	—	Entre Rios Ord. Stk.	81½	83	+
Do Pref. Ord. Stk.	70½	70	—	Leopoldina Ord. Stk.	61	61½	+
Underground Ord. Stk.	14½	14½	—	Mexican Rly. Ord. Stk.	7	7	—
Do Income Bonds	125	124	—	Utd. Havana Ord. Stk.	50	51	+

Banks.

Gilt-edged stocks opened with an appearance of firmness, Five per Cent. War Loan further improving on investment demand. The stronger tone of the money market, however, caused a reactionary movement as the week progressed, the failure of the Bank of England to secure any of the £750,000 gold offered in the open market giving rise to adverse comment. Four and a Half per Cent. Conversion Loan lost a part of its earlier rise, Four per Cent. Consols became dull, and Funding Loan was weak. India Loans showed little change, though the determined policy of the Government in respect of the "no tax" agitation, announced by the Governor of Bombay, was not without effect on the market. Colonial stocks were quiet but steady, the new Australia Five per Cent. Loan being taken off the hands of the underwriters with somewhat more celerity than had been hoped for.

In the Foreign market, anxiety as to the Mexican position was more in evidence than was the case last week, but in other directions movements were reassuring. The success of the San Paulo issue acted as a mild tonic to Brazilian bonds generally. French Four per Cents. advanced, but failed to hold their ground, while Spanish Four per Cents. came prominently into the picture in mid-week. Little business was done in Chinese and Japanese bonds, the former tending to recede slightly owing to Japan's refusal to contemplate alteration in the fundamental basis of the trade treaties.

Interim dividend anticipations in the Home Railway market were pitched in a low key, and the effect of the rates announced on Thursday and Friday by the "Group" lines was thus over-discounted. A rally, indeed, followed Thursday's announcements. The prevailing conditions precluded a continuance of last week's steadier tone, London, Midland and Scottish, and to a less extent Great Western, further losing ground. Underground issues showed little change, despite the satisfactory nature of the week's traffic figures. Foreign rails were in better demand. Rates difficulties on the Argentine lines have not yet been solved, but sentiment has become more hopeful. American rails gained ground on the recovery in the New York stock markets, and Canadian Pacific joined in the movement.

The new account opened inauspiciously in the industrial markets, which, in a number of cases, proved unexpectedly sensitive to a quite moderate amount of selling. The latter, however, slackened as the week proceeded, and some ground was regained. Cement company stocks were the most markedly affected, rumoured weakness in the price of the commodity and the impending break-up of a supposed "price-ring" bringing prices down on Monday and Tuesday, while more accurate knowledge of the actual position tended subsequently, in part, to reinstate them. Selling took place in the artificial silk section, Courtaulds, however, effectively resisting this tendency. British Celanese were down at one time to 2½, but fresh buying supervened. Speculation in the gramophone market was confined within narrower limits than of late, though quotations showed no marked change. The purchase of the Direct West Indies Cable by the Eastern encouraged a certain amount of buying of the latter stock, and further support was forthcoming for Marconis, but profit-taking occurred before the Eastern meeting. A number of disappointed buyers of Imperial Tobaccos sold out on the absence of any increase in the interim dividend. Newspaper issues were steadier, but the volume of dealings was not large. Hydro-Electrics and International Holdings showed fresh weakness. Shipping shares were steady, breweries quiet, and textiles dull. The assistance promised by Mr Baldwin did little to shake the lethargy of the iron and steel share market. Bank shares were quiet, but the insurance market developed strength, mainly on the excellent home five results of the first half of this year.

Rubber shares gave evidence of what may or may not be the first symptoms of increased public interest, orders for a number of the leading companies finding the market not too well provided. A number of rises took place, but business subsequently became quieter. The substantial fall in London stocks of the commodity over the last few weeks, together with the enhanced rate of consumption in America, have had a beneficial effect on sentiment, while the figures recently published of

Malayan estate stocks of rubber suggest that the quantity of the latter, available when the restriction scheme is terminated next November, may not be greatly in excess of what will be required to bring the world's visible supplies up to a reasonable level. The tone in the tea share market was steady, but a very limited amount of business was done. Oil shares had an uncertain tendency, Mexican Eagles falling back after a bullish opening, on moderate Continental selling, while Shells, Persians, and Burmahs eased slightly.

A slight recrudescence of optimism was discernible in a number of the mining markets, though here, as elsewhere, there was still a paucity of business. Paris gave negative support, but Johannesburg came in as a buyer, among other things, of Consolidated Main Reef, Daggafontein, and, unexpectedly, of Sub Nigel. Chartered recorded a small advance on buying in London. Tin shares opened dully, but subsequently responded to the advance in price of the commodity. Rio Tinto moved up or down according to the varying moods of Paris. In the Western Australian group, much activity obtained in Lake View and Star, though the favourable nature of the week's news did not produce as great a rise as had been anticipated.

INVESTMENT NOTES.

Home Railway Dividends and Prospects.—The interim dividends announced by three of the British railway companies last Thursday were in accordance with recent market expectation. The London, Midland and Scottish paid 1½ per cent. on its ordinary stock, against 2 per cent. last year; the Southern 2½ per cent. (actual) on its preferred stock, against 2½ per cent.; and the Metropolitan 1½ per cent. (against 1 per cent.) on its ordinary, and 1½ per cent. (unchanged) on its surplus lands stock. The market was pleasantly surprised, however, by the announcement that the Midland had made good, by economies in expenditure, £1,000,000 of the £2,100,000 drop in the half-year's traffic, and the Southern the whole of its loss by savings on coal. Nothing was said, however, as to road competition, although in the course of their recent successful pleadings before Parliament, the railway representatives inevitably laid chief stress on its evils. A broadly-conceived and far-sighted policy of co-ordination of the two "arms" (to borrow a military simile) would be of lasting benefit to the railways and the country as a whole, and the various managements would certainly be well-advised to take the public into their confidence regarding any such concrete plans they may have worked out. Depression in industry, particularly in the heavy trades, are declared to be responsible, to a considerable extent, for the disappointing results recently obtained, but the various indices of British trade activity which we publish in to-day's *Monthly Supplement* to the *Economist* suggest that no widespread falling-off has occurred this year which is comparable with the decline of 6 to 10 per cent. in railway goods traffic receipts. Even the most comprehensive of plans for the exploitation of the newly obtained road powers, however, cannot be expected to produce far-reaching results for some time to come. In the meantime, stockholders may well ask for further details as to what is being done to reduce the burden of operating costs, or—what amounts to the same thing—to raise the standard of efficiency of British railway organisation. The possibility of introducing greater elasticity into labour conditions is now under consideration by those concerned. Translated into concrete terms, such a policy involves an element of sacrifice by the workers as regards such matters as wage-levels, and the "guaranteed day and week," and experience in all industries shows that while organised labour may admit, in principle, the justice of some sacrifice as a contribution to the solution of pressing problems, its spokesmen are apt to demand a guarantee that all possible means of "tightening up" management methods shall first be examined. The railway trade union leaders may, for instance, consider themselves entitled to ask whether the noteworthy advance in administrative technique in industry as a whole during the last few years has had any parallel in the railway

sphere; whether the average standard of efficiency of a "group" railway approximates to that, say, of Messrs Courtaulds, or the General Electric Company, or Imperial Chemicals; why each British steam locomotive, engaged in freight transport, on the average, accomplished less in 1927 than in 1923 ("net ton-miles per engine-hour" in 1923, 453; in 1927, 428); why the average number of "shunting-miles" to every 100 miles run by goods trains increased from 76½ to 78½, and the number of "light-engine-miles" from 11.98 to 12.58 during the same period. Discussion on these lines would open up many grave issues bearing directly on the future of railway transport. The Royal Commission on Traffic, whose inception has been announced by the Government this week, can scarcely fail to take cognisance of these, among other matters, but its discussions may conceivably last for the best part of the next two years. In the meantime the investor in home rails will be the better inclined to exercise the indispensable virtue of patience the more he is convinced that those in control are determined to make the maximum use of their present opportunities.

Union Cold Storage.—The stability of the profits of this large concern in the Vestey group which covers every process in the meat trade from Argentine ranch to British consumer, stands out in strong contrast to the experience of many of the smaller concerns, including its own subsidiary, the British and Argentine Meat Company, which recently postponed its interim preference dividend. Despite the conclusion of the so-called "meat war," some nine months ago, "unfavourable Argentine trading conditions" are referred to as one of the main reasons for the agreement between Armour and Company, described in last week's issue of the *Economist*, and similar conditions are adduced in explanation of a fresh agreement come to between the Smithfield and Argentine and the old-established Sansinena Company. The sole effect of the "war" on the accounts of the Union Cold Storage, however, appears to have been slightly to check the steady increase in net earnings which has been in progress for a number of years past:—

	YEAR ENDED DECEMBER 31.		
	1925.	1926.	1927.
	£	£	£
Gross earnings	883,564	994,193	984,714
Interest on debenture stock and specific mortgages	57,038	53,976	52,830
Reserve for depreciation	102,572	106,402	107,273
Directors' fees	2,050	2,261	2,300
Net earnings	721,904	831,554	822,311
Preference dividends	607,030	720,000	720,000
Ordinary (Earned per share	11.4%	11.2%	10.2%
(Paid per share	10.0%	10.0%	10.0%
(Amount of dividend	100,000	100,000	100,000
Increase or decrease in amount carried forward	+ 14,874	+ 11,554	+ 2,311

The ordinary shares—privately held—receive their customary 10 per cent. dividend. Nothing is placed to general reserves, which remains at £200,000—a figure which would be totally inadequate against fixed assets of £17,302,308, but for the existence of a depreciation reserve which, with the current year's appropriation and certain unspecified items transferred during the year, now totals £2,985,180. The value of fixed assets (shown, inclusive of shareholdings in associated companies, in a single item), is £1,987,579 higher than a year ago—probably as a result of the inclusion of the Blue Star Line steamers, though the report says nothing on this point. Nor is the connection, if any, made clear between this rise and the drop of £2,526,921 in the debtor item (which includes loans from associated companies). The 6 per cent. cumulative preference shares stand at 20s 6d, the 7 per cent. at 22s 6d, and the 10 per cent. at 30s, their dividends being covered, on the basis of last year's net earnings, 1.7, 2.4, and 2.0 times respectively.

English Sewing Cotton's Better Year.—After two years of relative depression, the English Sewing Cotton Company enjoyed a return of prosperity in the twelve months ended March 31st last, gross receipts rising from £342,375 to £601,923, and net earnings per ordinary share from 10.9 per cent. to 24 per cent. :—

	Years ended March 31—		
	1926.	1927.	1928.
	£	£	£
Gross receipts	340,189	342,375	601,923
Depreciation on English plants, furniture, &c.	32,879	34,770	33,459
Debenture interest	38,308	38,308	38,308
Net profits	269,002	269,297	530,156
Preference dividends	50,000	50,000	50,000
Ordinary—Profits per share	10.9%	10.9%	24.0%
Dividend per share	20.0%	15.0%	15.0%
Amount of dividend ..	400,000	300,000	300,000
Pension fund	..	..	10,000
Undistributed profits—			
Reserve for equalisation of divs.—150,200	—50,000	—200,000	—200,000
Inc. or dec. in carry forward	—30,998	—30,703	—29,844

The directors may be complimented on their decision to refrain from the immediate restoration of the ordinary dividend to the level prevailing before last year, and to strengthen the company's finances by putting back into reserves the amounts withdrawn during the past two financial periods. Visible reserves of all kinds, including the present appropriation and the "carry forward" amount to £1,112,252, against an ordinary share capital of £2,000,000 and fixed assets of £3,467,992. The current financial position is, as usual, distinguished by its liquidity, stock-in-trade, debtors, outside investments, and cash aggregating £2,344,632 (including investments valued at £1,396,762, mainly in gilt-edged stocks), while sundry creditors account for no more than £270,181. Highest and lowest quotations for the £1 ordinary shares during recent calendar years are given below:—

Prices.	1925.	1926.	1927.	1928.
Highest	3½	3½	2½	3½
Lowest	2½	2½	2½	2½

The ordinary shares have remained outside the orbit of the recent speculative activity in the industrial market, and at the present price of 2 23-32, including 2s final dividend, give a yield of £5 10s per cent. In common with most cotton textile concerns, the company is susceptible to fairly wide annual fluctuations in earnings, but in view of the sound financial position disclosed, the directors will doubtless be well disposed towards the possibility of returning to a 20 per cent. dividend if last year's receipts are maintained in ensuing months.

Drapery Trust Results.—Originally formed in 1925, and known by its present title since November, 1926, the Drapery Trust controls a number of well-known businesses in London and the provinces, including Bobby and Co., Plummer Roddis, Selincourt and Sons, Swan and Edgar, Staggs and Russell, holds an indirect controlling interest in various smaller concerns, and is associated with the Scottish Drapery Corporation. The list of associated companies has been extended during the past financial year by the addition of Addeley and Co., of Leicester; Green and Edwards, of London; and the Hughenden Chair and Furniture Works, of High Wycombe. As a result of a deal carried through at the end of last year, the public no longer has a direct interest in the ordinary capital of £1,500,000, practically the whole of which is held by Debenhams, Limited; but a fairly active market exists in the £2,400,000 7 per cent. participating preference shares, which are entitled to an extra 1 per cent. of dividend, *pari passu* with the ordinary, after the latter have received 7 per cent. Results for the last two financial periods are shown:—

PERIODS ENDED MAY 31.

	1927. £	1928. £
Total receipts from dividends and interest (less income tax) and transfers fees.....	288,005 ..	334,235
Head office expenditure (including special expenses in 1927-28).....	15,084 ..	28,258
Debt interest	25,938 ..	..
Net receipts	246,983 ..	305,977
Preference dividends—		
Cumulative (7 %)	59,254 ..	134,400
Non-cumulative (1 %).....	17,600 ..	19,200
Total	76,854 ..	153,600
Times covered by net receipts	3.2 ..	2.0
Ordinary dividends—		
Amount	95,360 ..	96,000
Rate	8% ..	8%
Increase or decrease in carry forward	+ 74,769 ..	+ 56,376

Comparison between the two years is difficult, owing partly to the broken period covered by the first set of accounts and partly to the effect of the additions recently made to issued capital, but mainly to the fact that "a substantial portion" of the profits earned by the controlled companies has not been distributed by them in dividends, and does not, therefore, figure in the Drapery Trust's accounts. Shareholders are informed that £106,724 has been written off by the companies during the year for preliminary and issue expenses—these items having been reduced, since the Trust's incorporation, by £441,258 to £43,568—that the reserves and "carry forward" of the companies have been increased by £65,971, and that in spite of last year's wet summer and temporary disorganisation from building extensions, "profits in most cases show improvement over the previous year's figures." These particulars, however, are no satisfactory substitute for the consolidated balance-sheet and profit and loss account, whose absence a year ago was attributed to the difficulties arising from the then recent acquisition of many of the businesses. The present balance-sheet is necessarily uninformative, "investments at cost" accounting for £4,341,631 out of total assets of £4,617,948. Reserves amount to £38,439, creditors to £103,163 (against debtors, £45,620), and secured loans to £330,000, as compared with £383,520 last year. Pending the disclosure of further information, such questions as the extent to which management of the controlled concerns has been, or is being, centralised, and the ability of the latter to earn more than a moderate profit (as drapery profits go) on the amounts paid by the Trust for its holdings, must be left in abeyance. The £1 preference shares are quoted at £1½, and on the basis of an 8 per cent. dividend (which was twice covered by last year's net receipts) give a yield of £7 25 per cent.

Another Cable Merger.—Pending the issue of the Imperial Wireless and Cable Conference's Report, a further step has been taken to knit together more closely the British interests concerned in international communication by cable. It is announced that the Eastern group of companies has acquired the shares of the Direct West India Cable Company—a purchase which carries with it the control of three other concerns, the Halifax and Bermudas Cable, the Cuba Submarine Telegraph, and the West India and Panama Telegraph. The Direct West India Company was originally established in 1897, and has an eminently satisfactory financial record, its present paid-up capital of £197,873 including a 220 per cent. share bonus declared as recently as January, 1927. Up to 1918 it was in receipt of an annual subsidy of £8,000 from the British Government, and still receives £2,000 a year from the Jamaican Legislative Council and £120 from the Turks Island Government. The group of companies over which the Eastern will now obtain control has 22 cable stations and 8,000 miles of cable operating in the West Indies, the total issued capital represented being £1,723,303. The merger marks a fresh stage in the process of centralising the administration of Imperial communications, and should, furthermore, prove a source of strength, from the revenue point of view to the Eastern Telegraph Company. The recent trend of the latter's earnings has not, indeed,

been altogether reassuring to shareholders, net revenue, which fell from £1,321,126 in 1925 to £1,097,961 in 1926, showing a further decline to £947,926 last year, though the ordinary dividend was maintained at 10 per cent., free of tax. The Eastern Extension Company has maintained its profits relatively more favourably, net earnings of £1,068,144 last year being £47,831 less than in 1926, but £61,734 more than in 1925. The falling off in the Eastern's earnings in 1926 was attributable in part to industrial depression in Great Britain consequent upon the coal stoppage, but in respect of 1927 the chairman admitted at this week's meeting that the "beam" wireless services had "attracted a considerable amount of traffic of certain classes from the Eastern system—a state of affairs which it was desired to regulate by the terms of the provisional agreement with the Marconi interests, arrived at some weeks ago, and awaiting completion when the views of the Imperial Wireless and Cable Conference and the various Governments concerned are known. The effect of the latest development will be to bring the cable system of another part of the Empire within the orbit of the allied companies.

Burndeft.—On Wednesday last a scheme for the liquidation of the old company and the floating of a new under the title of Burndeft Wireless (1928), Limited, was put before separate meetings of the preferred ordinary and deferred shareholders. The scheme had already secured the assent of the bulk of the unsecured creditors, and its chief features are as follows:—(1) Creditors of less than £10 will receive cash equivalent to 7s 6d in the £; (2) creditors of more than £10 will receive 10-year notes of the new company carrying interest at 6 per cent. per annum; (3) preferred ordinary shareholders will have the right to take up the 5s ordinary shares of the new company in the proportion of two new shares for one old, with the sum of 1s 9d credited as paid up on each share, the remaining 3s 3d per share being paid for in cash; (4) deferred shareholders will have the right to take up the 5s ordinary shares in the proportion of one new for twenty old, with 1s 9d per share credited as paid up, the remaining 3s 3d being paid for in cash. The notes will amount to approximately £20,300 and the shares will number 600,014, and the gross cash payable in respect of them will be approximately £75,000. Arrangements have been made for the underwriting of the shares for commissions of 2½d per share, together with a two years' option to subscribe at par for 100,000 of the unissued shares. The scheme was accompanied by a circular letter from the receiver and manager, who stated that in spite of difficulties resulting from the cloud under which the company has been working, a reasonable trading profit has lately been shown, and that this profit can be considerably improved after a satisfactory reconstruction. The working capital of the new company is expected to be about £80,000, which is said to be adequate. The net turnover of the old company in the last twelve monthly period was £123,000, while the turnover of the new company may be expected to reach £150,000 in the first year and to increase in succeeding years, the business, with its present factories, being capable of a turnover of £280,000 a year. It may be that these expectations will be realised, but there is no indication of the size of the net profit that this turnover would produce, and a good many of the old shareholders will probably decide to cut their losses. One of the difficulties in tracing the tortuous history of this venture is that no one seems to know how the original capital was lost. At one meeting after another explanations were offered and expectations were held out, but the explanations did not explain and the expectations were not realised. Have any of the rank and file shareholders ever learnt why things went wrong within a few months of the company's birth, and why the capital continued to disappear as fast as it was poured in?

Tanganyika Concessions.—The report presented at Thursday's meeting showed a slight decline in profit, the latter amounting to £441,600, as against £462,500 in 1926. The preference dividend of 10 per cent. now requires only £45,200, the bulk of the issue having been

meantime converted. Naturally, the ordinary dividend of 7½ per cent. absorbs more than before. Once again an interim dividend of 5 per cent. will be paid with a balance dividend for the past year. The Union Minière produced more copper last year than in 1926, the total falling a trifle below the record amount of 90,100 tons of 1925. During the current year, however, production has been at the unprecedented rate of 130,000 tons per annum. A further expansion is expected to occur about the end of next year, with more to follow as additional units of plant are completed. A fresh increase is shown in the proved ore reserves, which are now placed at 78,500,000 tons, estimated to contain 5,439,000 tons of copper. The current price of Tanganyika shares is about 2½, as compared with the high level of 3½ touched earlier in the year. Even now the prospects seem very liberally discounted.

Zinc Corporation.—Although a larger tonnage of ore was again treated and fresh improvements were effected in metallurgical efficiency, the profits of this company last year underwent a further serious contraction (writes our mining correspondent). The surplus comes out at £259,300, as against £424,050. This is a reflex of the renewed shrinkage in the prices of the metals produced. Lead last year averaged £24 8s; as against £31 2s 3d, and zinc £28 9s 11d, in place of £34 2s 8d. For the current year to date an even lower level has ruled. A slightly increased balance from mine development, &c., appropriation is brought in, but the directors are able to declare a final dividend of only 2s 6d on both classes of shares, or a total of 40 per cent., as against 70 per cent. on the ordinary and 55 per cent. on the preference for 1926, leaving a balance of £42,100 to be carried forward, as against £21,850 brought in. Once again £100,000 is appropriated for mine development and new plant. Seeing that in recent years only a comparatively small proportion of these allowances has been expended, the object of their continuation is not quite clear. The bonus agreement with the miners expired at the end of 1927, but it is hoped that a new and friendly settlement will be achieved. At 2,626,700 tons the ore reserves show an increase of about 160,000 tons; the total represents some ten years' supply for the mill. On the basis of last year's dividends the £1 preference shares at £4 yield 10 per cent. and the 10s ordinary at 42s a trifle under that ratio. In view of the trend of metal prices during the current year to date a further reduction in the dividend would appear not improbable.

Zambesia Exploring.—Last year's profit of £184,800 gives an increase of a few thousand pounds compared with that of 1926, a decline in the surplus on sale of shares being more than made up by increased receipts in the shape of dividends, interest and the like. For the third year in succession the shareholders are to receive a total of 20 per cent., a final dividend of 5 per cent. being declared, with 10 per cent. bonus. The company's holdings figure in the balance-sheet at the slightly enhanced amount of £1,525,300, representing cost or under; the market value of the quoted securities alone at December 31st is stated to show a surplus of about £900,000. The interests of the concern are, of course, very similar to those of the Tanganyika Concessions, in which concern 286,600 shares are held. At the current quotation of 2½ for the £1 shares, including 3s dividend, Zambesias rank as a fair speculative holding.

H. E. Proprietary.—Remarkably little difference is shown in last year's profits of this mining and general finance company as compared with those of 1926. The dividend total is once again brought up to 12½ per cent., leaving the slightly increased balance of £14,000 to go forward. As before, an interim dividend of 5 per cent. on account of the current year will be dispersed jointly with the final of 7½ per cent. Investments figure in the balance-sheet at the somewhat enhanced figure of £384,600. The report states that in the opinion of the directors the aggregate value of the assets exceeds the total appearing on the liabilities side of the balance-sheet.

Special reference is made to the company's interests in the Luipaards Vlei and Wiluna Gold Corporation, both of which have been increased during the year. On the basis of 12½ per cent. dividend the 10s shares at 13s 6d seem reasonably priced.

NEW ISSUES OF THE WEEK.

New issue activity has this week been of reduced, but, for this period of the year, significant dimensions, the total offered to the public, £5,349,250, comparing with £8,561,250 last week and £1,668,112 a year ago. The year's aggregate to date stands at £273,803,556, against £236,002,187 in the corresponding weeks of last year, and is much the largest figure since 1922, when the total was swollen by extensive British Government operations. The largest individual borrower of the week was the State of San Paulo, which offered £2,750,000 6 per cent. 40-year sterling bonds to bearer at 94½, giving a flat yield of £6 6s 11d per cent. and a yield, including redemption, of £6 7s 6d per cent. A further £750,000 was reserved for offer in Holland and Sweden, and a simultaneous issue of \$15,000,000 was made in New York. The relatively high yield made its expected appeal to the investor, who has not recently had over-many opportunities to subscribe to new loans for Brazil or South America generally, the lists for the issue being closed, owing to heavy oversubscription, twenty minutes after their opening. Though the loan will doubtless prove to have received its due share of the "stag's" attention, there is reason to believe that a large share of it has gone into strong hands. The price of issue demonstrates the extent of the improvement in San Paulo credit during recent years. In 1921 an emission was made in New York on an 8 per cent. basis, and as recently as 1926 the yield offered was 7 per cent. Another Irish issue figured in the London lists this week, the City of Dublin offering £800,000 5 per cent. stock at 96, the proceeds being required for electricity and housing purposes. The yield—£5 4s 2d per cent. flat, or £5 4s 8d allowing for redemption in 1970—approximated to the market level for the stocks of the larger Dominion corporations, among which Dublin now ranks. The stock is a trustee security in the Irish Free State, but not in Great Britain. The lists were closed, owing to heavy oversubscription, after being open three and a-half hours. The week's industrial issues had a somewhat more restricted range than has been customary of late. Artificial silk manufacture was represented by the Alliance Company, which is to exploit a Swiss acetate process. Production has already started at a factory in Basle, and will be carried on in England at Lowestoft, while the vendor concern, the International Artificial Silk Company, hopes to be producing in France next September. The company does not appear to have hampered itself by undue modesty in estimating its capital requirements, and as the issue is not of the preferred-shilling deferred type, outside subscribers will have the satisfaction of obtaining a share in the equity proportionate to the amounts they pay, though voting control will be held by the vendors, the directors and their friends. The technical reports are satisfactory—as, indeed, they have need to be, since, having regard to the early stage of the company's development at which the issue is being made, they are the only solid piece of evidence on which the investor can base his judgment. The offer of the Algoma Pulp, Paper and Dock Company, which is purchasing a timber and pulpwood business in Ontario, was a reasonable speculative proposition, subscribers to which would doubtless make due allowance for the wide annual variations shown by past profits, the recent falling off in prosperity of the Canadian pulpwood industry as a whole, and the inconvenience of the company's Canadian registration to British holders. The three remaining issues of the week were made by concerns proposing to exploit patent rights, which may conceivably prove highly valuable, but have still their way to make in a world of keen competition. Two of the offers were concerned with unbreakable gramophone records and the third with gramophones and wireless apparatus, the issues in two

cases covering the foreign rights in processes recently established in this country. The appeal in all three instances was, of course, confined to the speculative subscriber.

The new issues of the week and the dates of opening of the lists have been as follows:—

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
Amount previously recorded, 267,962,485.				
ISSUES OF THE WEEK—				
NATIONAL SAVINGS CERTIFICATES.				
Net Sales, week ended July 21, 1928, Dr £50,000.				
Total Receipts April 1, 1928, to July 21, 1928, Dr £550,000.				
To the public—				
State of San Paulo 6½, 40-year External Sterling Bonds of 1928, £2,750,000, iss. at 94½ (July 24)	2,750,000	2,598,750	137,500	2,461,250
Alliance Artificial Silk, 4,680,000 Shares, 5s at par (July 24) ..	1,170,000	1,170,000	234,000	936,000
City of Dublin, £300,000 5% Inscribed Stk. 1950-10, issued at 90% (July 23)	800,000	768,000	40,000	728,000
Algoma Pulp Paper and Dock Co., 350,000 8% Prs. Pref., £1 at par (July 23)	350,000	350,000	43,750	306,250
Do 350,000 Ord., no par value, payable 2s in full on application	35,000	35,000	35,000	..
American & Dominion Unbreakable Records, 400,000 Ord., 10s at par (July 24)	200,000	200,000	50,000	150,000
Do 400,000 Def., 1s at par	20,000	20,000	20,000	..
Savoy Gramophone Records, 500,000 Ord., 5s at par (July 23)	147,500	147,500	29,500	118,000
Electramonic (Foreign Rights), 240,000 Shares, 5s at par (July 25)	60,000	60,000	18,000	42,000
Total offered to the public	5,349,250	5,349,250	607,750	4,741,500
To Shareholders only—				
British & South Pacific Trading 100,000 Ord., £1, at 25s	100,000	125,000	112,500	..
Cyprus Oil Trust, 42,145 10% Prs. Pref., 2s at 3s	4,214	6,321	2,107	4,214
Incomati Estates, £100,000 8% Debts, at par	100,000	100,000	100,000	..
Kamoutin Tin Dredging, 500,000 Shares 5s at 10s	75,000	150,000	75,000	75,000
Keppong Dredging, 15,000 Ord., £1 at 30s	15,000	22,500	22,500	..
Second Consolidated Trust, 12,000 New Shrs., £10, at £11½	120,000	138,000	138,000	..
Total to shareholders only	541,821	462,607	79,214	..
Total offered for subscription to date				
to—				
1928	273,803,556	1927	355,165,970	
1927	236,002,187	1926	230,782,604	
1926	140,882,853	1925	232,214,500	
1925	126,441,103	1924	209,326,100	
1924	127,788,204	1923	271,393,173	
1923	200,663,567	1922	573,675,650	

Comments on the new issues, summarised below, will be found at the head of this section.

State of San Paulo.—Issue of £2,750,000 6 per cent. sterling bonds to bearer at 94½, repayable at par by 1968 by half-yearly drawings. An issue of an additional £750,000 is being made in Holland and Sweden, and £15,000,000 in New York. The proceeds will be used for railway, water supply and general purposes. The external funded debt of the State (including this issue) is approximately £22,500,000, external loans guaranteed to about £17,500,000, and internal funded debt to about £8,500,000. The population is about 6,000,000 and the general income of the State has risen since 1923 from £5,068,000 to £10,540,900.

City of Dublin.—Issue of £800,000 Corporation 5 per cent. inscribed stock 1950-70 at 96. A sinking fund has been established. The stock is secured on the revenues of the city. The population is estimated at 318,500, a penny rate producing £4,767 net. The net public debt at June 30th last was £3,723,843, of which £2,876,652 was in respect of productive undertakings. The proceeds of the issue (which is a trustee stock in the Irish Free State) are required for electricity and housing purposes.

Alliance Artificial Silk, Limited.—Issue at par of 4,680,000 (out of 6,200,000) 5s shares, of which the directors and their friends will apply for 2,404,730. The company takes over the British Empire rights and an exclusive option on the American rights in the manufacture of acetate artificial silk from Syntheta A.G., Basle, with the latter company's Swiss factory, for a purchase consideration of £155,000 in shares, and freehold lands at Lowestoft for £12,467.

Algoma Pulp, Paper and Dock Company, Limited.—Issue of 350,000 (out of 400,000) 8 per cent. £1 participating preference shares at par and 350,000 (out of 2,000,000) ordinary shares of no par value at 2s, the former taking one-third of surplus profits. The company, a Canadian corporation, takes over the timber and pulpwood business of Austen and Nicholson, Limited, with leases over 799 square miles about 100 miles north of Sault Ste Marie, Ontario. Net assets are \$9,200,000. Net earnings have been: 1923, \$211,319; 1924, \$225,435; 1925, \$134,895; 1926, \$95,095; 1927, \$191,362.

Savoy Gramophone Records, Limited.—Issue at par of 500,000 (out of 900,000) 5s shares. The company has been formed to manufacture unbreakable records under British Letters Patent, the purchase consideration being £15,000 cash and 140,000 shares.

American and Dominion Unbreakable Records, Limited.—Issue at par of 400,000 ordinary 10s shares and 400,000 (out of 1,000,000) 1s deferred shares. The company acquires the American, Canadian, Australian and New Zealand rights of the "Duophone" unbreakable gramophone records for a purchase consideration of £105,000, of which £75,000 will be paid in cash and the balance in deferred shares. The ordinary are entitled to a preferential 8 per cent. and one-fourth of surplus profits.

Electramonic (Foreign Rights), Limited.—Issue at par of 240,000 (out of 400,000) ordinary 5s shares. The company will deal in "Electramonic" gramophones, wireless sets, public address systems, &c., in all countries outside the British Isles. The purchase consideration is £50,000, including £15,000 in cash and £35,000 in shares.

Particulars of the following have been issued for public information only:—**Metropole Gramophone Company, Limited**, issued capital £147,500, manufactures gramophones and records; **Mayfair Gold Mining Company, Limited**, issued capital 92,059 £1 shares, fully paid, and 48,941 £1 shares, 10s paid, has taken over mining claims in an area of approximately 320 acres in Insiza District, Southern Rhodesia; **Milton Sales, Limited**, share capital £201,000, formed to sell, outside the United Kingdom, certain chemical preparations identified by the name "Milton"; **Knap Concrete Machines, Limited**, paid-up capital £150,000 in 1s shares, manufacturers of apparatus for concrete mixing, &c.

Railway Traffic Figures, Summaries of Balance Sheets, Short Notices on Company Reports, &c., will be found on later pages of this issue.

SUMMARY OF BALANCE-SHEETS.

UNION COLD STORAGE COMPANY, LIMITED.

LIABILITIES.		ASSETS.	
Amount.	Dec. 31, 1926.	Amount.	Dec. 31, 1926.
6% cum. pt. shrs. 8,000,000 ..	..	Property	17,320,308 .. +1,987,579
7% cum. pt. shrs. 2,000,000 ..	..	Discount on deb. stock	36,966 .. 813
10% "A" cum. pt. 1,000,000 ..	..	Debts due to company	1,179,757 .. -2,526,921
Ord. shares	1,000,000 ..	Cash	507,245 .. -279,518
4½% deb. stock ..	718,689 .. -21,931		
Mortgages	335,000 .. -3,500		
Loans and bank overdrafts ..	1,798,615 .. -10,572		
Deb. int. accrued ..	15,314 .. -350		
Prof. int. accrued ..	185,000 ..		
Div. on ord. shrs. ..	100,000 ..		
Sundry creditors ..	634,732 .. -746,045		
Depreciation reserve ..	2,877,907 .. -39,587		
General reserve ..	75,000 ..		
Reserve for equalisation of divs. ..	125,000 ..		
Profit and loss ..	178,019 .. +2,312		
Total	19,044,276 .. -819,673	Total	19,044,276 .. -819,673

DRAPERY TRUST, LIMITED.

LIABILITIES.		ASSETS.	
May 31, 1927.	May 31, 1928.	May 31, 1927.	May 31, 1928.
Capital issued	3,900,000	Investments at cost ..	4,086,523 .. 4,341,631
Reserve account	20,955 .. 38,438	Debtors	36,750 .. 45,620
Creditors	24,968 .. 103,164	Cash	164,773 .. 188,575
Secured loans	383,519 .. 330,000	Merchandise in stk. ..	.. 9,514
Profit and loss	187,729 .. 246,346	Freehold building, less mortgage	.. 32,610
Total	4,288,046 .. 4,617,948	Total	4,288,046 .. 4,617,948

Grace National Bank

Hanover Square, New York, U. S. A.

Investment of funds in U. S. Government Bonds, Bank Acceptances, and American Securities accepted from banking correspondents.

Special Representative

148 Leadenhall St. London, E.C.3.

COMPANY MEETINGS, &c.

THE STANDARD BANK OF SOUTH AFRICA, LIMITED.

SUCCESSFUL RESULTS—INCREASED PROFITS.

EXPORT AND IMPORT FIGURES OF THE UNION.

POSITION AND PROSPECTS OF SOUTH AFRICAN INDUSTRIES.

MR J. P. GIBSON'S EXHAUSTIVE REVIEW.

The 115th ordinary meeting of the Standard Bank of South Africa, Limited, was held on Wednesday, July 25th, at the Cannon Street Hotel, Cannon street, London, E.C., Mr J. P. Gibson presiding.

The Secretary (Mr Herbert G. Hoey) having read the notice convening the meeting, the Chairman authenticated the correctness of the register of transfers by impressing thereupon the seal of the company.

The directors' report and accounts were taken as read, and the Secretary read the report of the auditors.

The Chairman then addressed the meeting as follows:—

Ladies and Gentlemen,—The duty of acting as Tribute to your chairman on this occasion devolves on me, but before proceeding to a general review of the position I wish to make a special reference to the late Sir David Barbour.

Sir David was appointed a director of the bank in 1901, and was the senior member of the board when he retired in September last on account of health. Unfortunately his health did not improve, and he passed away at the beginning of February. As an economist Sir David was highly regarded, and his knowledge, sound judgment, and wise counsel were of the greatest value to the bank at all times, and especially during the periods of difficulty passed through during his directorship. As a man Sir David's sterling character, personal charm, and unfailing humour, endeared him to a wide circle of friends, and his death was felt by the directors of the bank as a personal loss.

It cannot be said that the year under review was one of uninterrupted prosperity and progress for the farmers of South Africa. In the Cape Province large areas suffered severely from protracted drought, and for some months of the year the rainfall was deficient in the Orange Free State and in parts of the Transvaal.

Evidence of the heavy toll taken by drought of the livestock in the Union is to be found in the exports of hides and skins, which in 1927 were over 27,000,000 pounds more in weight than in 1926. Relative to numbers, the heaviest mortality took place in the mohair districts where the percentage of loss in Angora goats was very high.

As regards agricultural products, the principal of which is maize, it is satisfactory to be able to report that, notwithstanding the drought, the return yielded by this crop was substantially in excess of normal years. The explanation of this happier state of affairs is that the larger maize-producing districts were not stricken by drought to anything like the same extent as some of the others, and were fortunate in getting rains which, although late, were yet in time to assure the crop. The wheat yield last season was poor, and the production of oats barely up to the average, but the fruit and tobacco crops on the whole were satisfactory.

One of the most helpful factors in the situation, and one which, with the assistance of the higher prices obtained for wool, has been the means of greatly improving the position, is the sheep farming industry, which is making good headway, and extending to districts and areas hitherto regarded as unsuitable for that class of farming.

In the north-eastern districts of the Cape, in the Orange Free State, and in the Transvaal, many of the farmers are substituting flocks for herds, or are combining sheep farming with other pastoral and agricultural pursuits, and extension of interests and activities which is likely to render farming less precarious, and yield on the average more dependable and better results.

It is pleasing to state that in a year of drought the export of wool from the Union was higher than in the preceding year by

nearly 50,000,000 pounds in weight, and £4,500,000 in value. Of the latter amount higher prices represented £1,356,000.

While figures are not yet available for comparative purposes, I think it may be safely assumed from the large increase in the export of wool that losses of sheep from drought have at least been made good by the natural increase of flocks, and it is possible that numbers have increased. I may say that this is confirmed by figures that have just been received.

The experience of the last few years all goes to show that Merino sheep, if properly farmed, will resist drought extraordinarily well, and I may say that a series of experiments conducted by the Department of Agriculture at Grootefontein in the economical feeding of sheep under drought conditions demonstrated that the small expenditure incurred in suitable care and handling was much more than repaid in freedom from losses. The value of these practical experiments lies in their affording dependable information as to the lines along which farming can be made more drought-resisting, thus enabling farmers to go forward with greater confidence.

In contrast to the marked advance in sheep farming, little progress is being made with cattle. Credit is due to individual breeders of high-grade stock, but the quality of herds generally is poor, and much will have to be done in the way of grading up before South Africa can compete to advantage in the best export meat markets. It should be stated, however, that more attention is being given to the dairying industry, which is doing well.

The whole farming outlook was changed for the better in March last, when the long-continued drought was broken by good and fairly general rains. It is expected that this year's maize crop will exceed that of last season, and agricultural prospects generally are satisfactory. The condition of livestock is good on the whole, and except in a few areas the farmers of the Union can look forward to a prosperous year.

For the first time in the history of the Transvaal gold mining industry the output during 1927 exceeded 10,000,000 ounces, valued at about £43,000,000. The recovery of this gold involved an expenditure of £29,300,000, of which fully two-thirds would be distributed in South Africa, and £8,400,000 was paid in dividends.

The exports of gold from the Union in the form of bullion and specie for the twelve months ended December 31st amounted to £43,514,480. These figures include some gold produced outside the Union, and the consignment destinations of shipments were as follows:—

Gold Bullion.	To United Kingdom ..	India	To Argentina	India	United Kingdom ..	Brazil	Other destinations...	
	£23,362,859	4,026,273	£6,737,500	3,206,300	1,922,323	1,761,000	2,498,225	16,125,348
								£43,514,480

The percentage of the gold exports dealt with through London was smaller than usual, due to large consignments of sovereigns to the Argentine and Brazil in connection with currency stabilisation arrangements. The exports of bullion and specie to India are to a large extent definitely absorbed there into hoards, and any general growth of enlightenment as to the economic use of gold will be extremely slow.

The output of the Transvaal Gold Mines has been increasing, while world production as a whole has declined.

Comparisons of Transvaal and world production in 1913—the last normal pre-war year—with 1927 gives the following interesting figures:—

	1913.	1927.	Decrease.	%	Increase.	%
World production	93,416,000	83,500,000	10,116,000	10.8	5,624,000	15.0
Transvaal production	37,373,000	42,997,000	..	..	..	..
Percentage of Transvaal production to world production	40.0%	51.6%	..	..	11.6%	..

The influence and incidence of the factors supply and demand may in the case of gold be modified and controlled to a considerable extent. The world's currencies, with few exceptions, have been re-established on a gold basis, and the time appears opportune to consider whether greater stability can be given to the value of gold itself. The United States, when gold was flooding in, swelling accumulations already excessive, followed the policy of sterilising over-supplies. To the extent to which further unhealthy inflation of credit and prices was checked, deflation, with its accompanying hardships, was avoided, and the policy followed enabled the United States—then the only important country on the gold standard—to keep the price of gold artificially high. The stabilisation of currencies has increased the demand for gold, and the redistribution of monetary stocks is proceeding more rapidly than was anticipated, partly as the result of heavy foreign lendings by the United States. On account of the higher level of prices, the structure to be supported by the gold base is greater than before the war, and it is doubtful whether the present rate of gold production is keeping pace with world development, while the total of the gold output trends downwards.

In the altering circumstances the future is more likely to be concerned with the appreciation of gold than its depreciation, and the problem of greater stability of value is one for all gold standard countries.

A great deal will have been accomplished if, by co-operation, the short-time fluctuations in the value of gold can be levelled out, and the long-time movements made so slow and smooth as to be almost innocuous to production and trade. A measure of control in the lessening of the bad effects of booms and depressions would enable a fairly even keel to be kept, and make gold a better and more efficient standard of value.

In an appreciating gold position the magnitude of the Transvaal production and the regularity with which it comes forward will be a particularly helpful factor.

The output of diamonds substantially increased during 1927, as a result of the enormous expansion in alluvial production. This gave rise to a difficult position which, however, was successfully overcome by capable handling assisted by the steady influence of the Diamond Syndicate. Sales of diamonds since the beginning of the present year have exceeded expectations, and the future of the industry is regarded with a fair amount of confidence.

During the recent session of the Union Parliament legislation was passed having for its object the fostering of a diamond-cutting industry in South Africa. Apart from the factory to be established under the Act, a company with a subscribed capital of £1,000,000, of which £250,000 is paid up, has been formed, comprised of the four big producers and the Diamond Syndicate, for the purpose of establishing at Kimberley a diamond-cutting and polishing factory on a large scale. It will be interesting to watch the development of the diamond-cutting industry in South Africa.

In Southern Rhodesia farming conditions are fairly satisfactory, but the prospects of the maize crop are less favourable following a spell of dry weather which, in some districts, may cause an insufficiency of winter feed. This season's tobacco crop, like the last, is large, but the marketing problem is causing anxiety. It is to be hoped that the efforts now being made to popularise Rhodesian tobacco will meet with a large measure of success.

In Nyasaland also prospects depend largely on tobacco. Native food crops generally have failed, and considerable imports of maize will probably be necessary in order to prevent famine.

The farming industry in South West Africa, which has had the advantage of exceptionally good rains throughout almost the whole territory, is making rapid progress, and farmers are in a better position than for years past. The farming outlook generally is favourable.

In East Africa the year, on the whole, was disappointing. Uganda suffered from a severe drought, and Government organisation was necessary to alle-

viate the famine conditions which arose in the Eastern Province. The lack of spending power affected the demand for piece goods, and trade was dull in the bazaars.

Kenya and Tanganyika Territory experienced a dry year, and climatic conditions reduced the maize crop in the former territory by one-half. It is the more satisfactory, therefore, that the exports of coffee reached a record figure, and the prospects of the sisal industry in both territories are promising.

Dealing with the position in the Union of South Africa as a whole, we find that the favourable factors more than counterbalanced the adverse, and an indication of the increase in the volume of trade is to be found in the Clearing-house returns, which, in the aggregate, were about 15 per cent. greater than in 1926. It is disappointing, therefore, to find that the number of insolvencies, although less than in 1925, showed an increase on the 1926 figures, the whole increase being under the head of commercial, and mainly small. The explanation is, too many traders and too much credit.

The Government revenue was extraordinarily buoyant, Customs duties being £991,000 above the estimate, income-tax £265,000, super-tax £150,000, death duties £165,000, and stamp duties £80,000. In place of a deficit of £133,000, as estimated, there was a surplus of £1,750,000, of which £500,000 was added to the sinking fund and £1,250,000 carried forward to be applied in reductions of taxation estimated to cost in a full year about £1,270,000.

The railway and harbour accounts showed an approximate deficit of £107,265 on the year's working in place of an estimated surplus of £39,709.

The gross public debt of the Union of South Africa as at March 31, 1927, was £231,475,948, of which 72 per cent. is represented by revenue-producing assets, the greater part being railways and harbours; and, in view of this strong position, it is not surprising that the credit of South Africa stands high.

In directing your attention to the balance-sheet in your hands, I would point to the satisfactory increase in our deposits of just over two millions, which amount, together with a million in bills for collection, accounts for the increase of three millions in the balance-sheet total.

A substantial proportion of our assets is kept in liquid form, the cash in hand and at call, together with remittances in transitu, amounting to over 21 per cent. of our deposit and note circulation liabilities, and over 38 per cent., if bills of exchange are included. Of the total increase in assets, £260,000 appears under investments in British Government securities; nearly £1,400,000 is represented by increased purchases of bills of exchange, and our advances are higher by approximately £840,000. I think you will agree that the lines along which expansion has taken place are sound and satisfactory, keeping in view profit-earning capacity and liquidity.

The item bank property and premises is nearly £35,000 higher than at March 31, 1927, notwithstanding that the amount appropriated for writing down premises is £25,000 more than last year.

This is due to heavy expenditure in completing our new London offices, to the erection of new premises at Durban, and to extensions at East London and other places. It is only prudent to write down the values of premises, and I am sure you will approve.

Our net profits for the year amount to £596,596, as compared with £583,801 for the previous year, and as full provision is first made for bad and doubtful debts and contingencies, I think the result may be regarded as quite satisfactory.

With the balance of £128,315 brought forward in March, 1927, the total to be dealt with is £724,911. An interim dividend was paid in January amounting to £156,041 and £100,000 appropriated to bank premises account. This leaves available for distribution a sum of £468,869, which your directors recommend be disposed of by allocating £125,000 to the officers' pension fund, as before, the payment of a dividend of 7s per share, and an additional sum of 2s 6d per share by way of bonus, leaving £132,099 to be carried forward to the next account.

The question of the extension of our branch system where likely to be justified is kept constantly in mind by our general managers, and we now have 284 branches, 22 sub-branches, and 47 agencies. During the year we opened new branches at Petrus Steyn, Salt River, and Warden, and at 20 other places we either provided banking facilities by way of agencies or increased banking

facilities by the conversion of sub-branches or agencies into branches or sub-branches. Since March 31st several new branches and agencies have been established, and every endeavour is made to meet the growing requirements of the country where development and expansion justify the extension.

I am pleased to say that my colleague, Mr Mr Dickinson's Visit to South and East Africa. Dickinson, was able to pay a visit to South and East Africa towards the end of last year, and was glad to have the opportunity of meeting many of the bank's clients and staff. He was much impressed by the strides made in progress and development since his previous visit to South Africa nearly eight years ago.

Much useful information can be obtained from the comparison of the year's figures with that immediately preceding, but the extent to which progress has been made can be seen in better perspective over a period of time.

Speaking very roughly, the mineral production of South Africa had quadrupled during the past 30 years, while imports over the same period have rather more than trebled, and exports, apart from minerals, are about eight times greater.

The later records, which are more complete, show that in 1913 the total exports of farm products from the Union were valued at approximately £12,278,000, and in 1927 at £28,000,000.

The figures of industrial production do not go further back than 1915-16, and the gross value of output, which was then £40,000,000, compares with £91,537,000 in 1926.

Speaking now of the progress of our bank, we find that between 1897-1914 the business doubled, and again doubled between 1914-1928; that is to say the business quadrupled over the periods mentioned.

The progress of the bank and of the country run on almost parallel lines, clearly indicating that the bank has not only shared in the progress of South Africa, but has been an important factor in the development of the country.

It can hardly be hoped that the present rate of gold production will be long maintained, but great scope remains in other directions for the further development of the resources of South Africa, and in that progress the Standard Bank will have its full part. As is usual on these occasions, we have prepared for the information of shareholders some data in regard to the chief industries of South and East Africa for the period under review.

During 1927 the volume of trade in South Africa, except in drought areas, showed a steady increase, and prospects have been much improved by good rains.

Exports from the Union at £94,134,000 were higher by £10,433,000 than in 1926, and imports rose from £73,320,000 to £74,014,000. Of the increase in exports, wool accounted for £4,472,000, and hides and skins for £1,168,000, the total increase in the exports of farm products being about £6,500,000, of which amount roughly £4,500,000 represented greater quantities, and approximately £2,000,000 was due to the higher prices obtained.

The trade returns for Northern and Southern Rhodesia show that exports during 1927 totalled £8,222,356, as compared with £7,024,993 in 1926. The totals of the imports for the two years were £9,604,811 and £8,075,481 respectively.

Exports from Nyasaland in 1927 amounted to nearly £961,000, an increase of £295,000 over the figures for 1926, mainly due to the larger tobacco crop. Imports totalled £938,000, as against £791,000 in 1926.

The figures for South-West Africa were as follow:—

	Exports.	Imports.
1926	3,292,986	2,507,625
1927	3,475,561	2,490,816

As regards East Africa, the year 1927 was a satisfactory one for the Territories of Kenya and Tanganyika, but conditions in Uganda were less favourable.

The export and import figures of Kenya and Uganda for 1926-1927 were as under:—

	Exports.	Imports.
1926	6,010,386	7,440,649
1927	5,397,216	7,851,611

For Tanganyika Territory the figures were:—

	Exports.	Imports.
1926	3,120,292	3,152,422
1927	3,440,576	3,672,064

The value of the mineral production of the Union in 1927 was £60,920,768, the increase of £2,440,240 over the figures for 1926 being almost

entirely in the production of diamonds and gold, to which reference is made later.

The total output of gold in the Union during 1927 was 10,122,458 fine ounces valued at £42,997,471, thus exceeding the previous year's output by 167,697 fine ounces, and by £712,332 in value.

For the six months to June 30th, 1928, the output was valued at £21,713,657, as against £21,316,294 for the first half of last year.

Labour supplies were on the whole satisfactory, the average number of native labourers employed during the year being nearly 5,000 greater than during 1926. Changing methods and the greater depth of mines call for increased supplies of labour. The present position is, however, fairly satisfactory, and while the provisions of the recent Lisbon Agreement dealing with the future of East Coast native labour are regarded in some quarters as less favourable than had been hoped, immediate uncertainty is removed and time given for further consideration of the labour situation.

The production of gold in Southern Rhodesia during 1927 amounted to 581,438 ounces, valued at £2,458,861, which compares with 593,429 ounces, valued at £2,508,527 in 1926. The industry in that territory was handicapped during the year by a shortage of native labour, and also in some districts by inadequate supplies of water owing to the unusually dry season.

The value of diamonds produced in the Union rose from £10,683,597 in 1926 to £12,392,308 in 1927, this large increase being due to the continued expansion of alluvial production, the extent of which is shown by the following figures:—

Alluvial Production.	Quantity.		Value.	
	Carats.	% of Total Production of Diamonds.	£	% of Total Production of Diamonds.
1926	808,329	27.5	3,983,681	37.4
1927	2,318,407	49.2	6,198,769	50.1

The further decline in the average price of alluvial stones from £4 18s 7d per carat in 1926 to £2 13s 6d per carat in 1927 was due in part to the poor quality of the stones found in the Western Transvaal, and partly to the depression of the market consequent upon the over-production of this class of diamonds. The increased production of alluvial diamonds affected to a small extent the prices of mined stones, which averaged £2 11s 11d per carat, as compared with an average of £2 15s 10d for the previous year.

After the passing of the Precious Stones Act in November last, and the prohibition in December of prospecting for precious stones throughout the Union, alluvial production showed a sharp decline.

The Government intend to work as a State digging the remarkably rich alluvial diamond fields in Namaqualand.

On the whole, the difficult position created by the enormous increase in the production of alluvial diamonds has been met very satisfactorily, and sales since the beginning of this year have exceeded expectations.

The output of diamonds in South-West Africa amounted to 723,877 carats, compared with 683,801 carats in 1926. Diamonds exported totalled 723,862 carats, of the value of £1,871,830, as against 683,024 carats, valued at £1,863,860 in the previous year.

The following figures show the production and value of the coal output in the Union for the past two years:—

	Output.	Value
Tons.	£	
1926	13,700,000	4,000,000
1927	13,300,000	3,800,000

The quantity of coal bunkered and exported amounted to 3,600,000 tons, compared with 4,300,000 tons in 1926.

The decrease in exports of coal was due to the falling away of the unusual demand occasioned during 1926 as a result of the British coal strike. Having regard to the keenness of competition in export markets, the total of exports may be considered as not unsatisfactory.

The trade in bunker coal was affected both by the competition of European coal and by the steadily increasing number of oil-burning ships.

The value of the coal output of Southern Rhodesia during 1927 was £419,700, compared with £399,229 in 1926.

An increase in value from £494,852 in 1926 to £581,574 in 1927 was shown in the production of copper in the Union.

Prospecting during 1927 disclosed the possibility of the copper-bearing formation at Messina continuing across the Limpopo into

Southern Rhodesia, and indications are reported to be promising. The output of copper in the Belgian Congo was 89,000 metric tons, compared with 81,000 metric tons in 1926. The native labour position has improved, and the output for the present year is expected to show a fairly substantial increase.

The following are the figures of the production of tin in the Union for the past three years:—

Tin.	Tons.	Value.
1925	1,938	304,552
1926	1,791	310,899
1927	1,929	331,326

It will be observed that in 1927 the tonnage production recovered from the decline shown in 1926.

The value of the asbestos produced in the Union continues to increase rapidly, as is indicated by the following figures:—

Asbestos.	Value of Output.
1924	110,075
1925	152,115
1926	216,466
1927	343,301

Owing to the high prices which the fibre now commands, there is considerable prospecting activity.

Further exploratory work is proceeding in certain districts in the Transvaal, in which deposits of asbestos of good quality have been found.

The production of asbestos in Southern Rhodesia during the past three years was as follows:—

Year.	Tons.	Value.
1925	34,349	766,381
1926	33,344	726,835
1927	33,175	794,215

The rise in value is mainly due to the better fibre produced. It is anticipated that the output will considerably increase on the completion of the railway line to Shabani, the chief asbestos producing centre of Southern Rhodesia.

The value of chrome ore produced in the Union during 1927 was £24,939, compared with £14,623 in 1926 and 21,001 in 1925.

In Southern Rhodesia the output during the past three years substantially increased, as the following figures show:—

Year.	Tons.	Value.
1925	135,827	337,317
1926	181,194	420,334
1927	218,018	490,053

Southern Rhodesia now produces 55 per cent. of the total world supply of chrome ore.

This industry is not making as much progress as was originally anticipated owing mainly to the difficulties experienced in the recovery of concentrates from the ore and of fine platinum from the concentrates. The treatment of the Transvaal ores presents problems altogether new to metallurgical science, but a thorough investigation of these problems is being made both in Europe and South Africa, and results recently obtained give reason to hope that the metallurgical difficulties are well on the way to solution, which is now thought to be in sight.

During the year platinum fluctuated considerably in value, the lowest price recorded being £13 17s 6d per ounce. The present price is about £16 per ounce.

The amount of sales and shipments was valued at £144,191, as against £93,307 in 1926.

The following are the sales and shipment values of certain other minerals produced in the Union during the past two years:—

	1926.	1927
Silver	126,580	118,321
Osmiridium	96,734	56,466
Lead	5,726	7,543
Corundum	44,871	8,473
Iron Ore	16,958	29,686
Soda	22,970	32,710

Farming Industries.

The preliminary results of the 1926-27 census give the total production of maize in the Union as 18,216,184 bags in 200 lbs. each, representing a crop which, while below the expectations formed at the commencement of the season, is still well above the average.

The quantity of maize and maize-meal exported during 1927 was less than anticipated, this being partly due to larger shipments in the form of hominy chop (exports of which totalled about 730,000 bags in 1927, compared with some 210,000 bags in

1926), and partly to the holding back of supplies in the hope of obtaining better prices. A rise in overseas prices occurred in the second half of February and the first half of March, during which period nearly 1,000,000 bags of maize and its products were shipped from the supplies held over.

It now seems unlikely that the figures of maize export for the season will much exceed 5,000,000 bags, thus leaving about 13,000,000 bags for local consumption, which compares with an average of some 11,000,000 in previous years. This increase in local consumption is mainly due to the larger quantities needed for feeding stock in drought areas, a satisfactory feature of the position being the growing recognition of the need for keeping reserves in hand to supplement as required the feeding of stock, and as a provision against contingencies.

The yield of the 1927 maize crop of Southern Rhodesia is given as 1,659,600 bags, of which about 575,000 bags were exported. The crop was well above the average, and the results are regarded as very satisfactory. The prospects for this season's crop, which were excellent, have been marred, unfortunately, in many districts by a spell of dry weather, and estimates now place the crop at 500,000 bags below that of last year. A comparatively small surplus will be available for export after local requirements have been met.

In Kenya, owing to climatic conditions, the maize crop was disappointing, the yield being 700,000 bags only, or 4½ bags to the acre—one-half of the usual production per acre.

In the Union the wheat yield for the past season was poor, the crop being estimated at 27 per cent. below that for the year 1926, and 11 per cent. below the average for the previous five years. In some of the Western Province Districts a fair crop was reaped, but in other parts of the Cape Province and in the Orange Free State the wheat returns were disappointing. The Transvaal production showed a slight increase. The falling off in the home-grown supply made it necessary to import considerably more wheat than in 1926.

A striking feature of the 1925-26 agricultural census was the continued substantial increase in the number of sheep in the Union, and despite the drought, it is probable that the number has risen still further during the year under review. Many farmers in the Union are finding that woolled sheep are more lucrative and satisfactory than cattle, especially in times of drought, when slaughter-stock become practically unsaleable.

In view of the excellent rains which have fallen, the satisfactory price of wool, and, above all, of steadily improving methods, the outlook for sheep-farming is very favourable.

Exports of fresh meat from the Union in 1927 amounted to 13,691,000 lbs., valued at £178,844, compared with 35,510,000 lbs., valued at £454,523 in 1926. The shrinkage to little more than one-third of the previous year's exports is mainly due to the decline from 63,000 to 24,000 in the number of cattle imported from Rhodesia, Bechuanaland, and South-West Africa for slaughter and export.

In Southern Rhodesia the ranching position is satisfactory. The number of cattle in the country is estimated at 2,200,000, of which about 1,000,000 are European-owned. Exports during the year numbered about 43,000 head, valued at £226,000, compared with approximately 72,000 head, valued at £344,000, in 1926. The decline is attributable mainly to the East Coast fever restrictions which were in force in many districts throughout the year, but the country is now practically free from disease, cattle generally are in good condition, and market prices are fair. It is possible that there may be a shortage of winter feed in some districts, but on the whole, the outlook is favourable.

The dairying industry is making progress and prospects have improved.

The exports of butter, cheese and eggs were of the value of £254,014, which compares with £203,842 the previous year.

The season was the best yet experienced for the shipment of eggs, and the prices received were on the average slightly higher than in the previous year.

The following figures will serve to show the expansion in volume and value of the exports of wool from the Union:—

	Quantity.	Value.	Average value.
	lbs.	£	per lb.
Average 1921-25	197,581,000	12,497,072	1 3½
1926	211,695,000	12,645,851	1 2½
1927	260,334,000	17,117,948	1 3½

* The production in the Union during this season is estimated at 240,000,000 lbs.

Since June last year wool values have been steadily improving, and prices are now approximately 10 per cent. higher than at

that time. The rise is reported to be due to genuine consumptive demand, and not to speculative causes.

The substantial increase in wool production in 1927, when large areas were suffering from drought, affords striking proof of the progress which wool-growing is making.

It will be seen from the figures given below that the exports of mohair from the Union during the past two years were much below the average for the years 1921-1925:—

	Quantity.	Value.	Average value.
	lbs.	£	per lb.
Average 1921-25	16,627,000	932,467	1 1½
1926	11,141,000	741,715	1 4
1927	10,681,000	807,963	1 6½

The severity of the drought in the mohair-growing districts caused extensive losses of Angora goats, and the production of summer hair will be much below normal.

Prices of mohair appreciated by about 30 per cent. during April and May last year, and remained fairly steady at that level until the end of February, 1928, since when a further rise of about 10 per cent. has taken place.

Prospects for the industry are better, but it will take time to replace the heavy stock losses of the past two years.

Unfortunately, the market for ostrich feathers shows no improvement. Exports for 1927 further declined to £43,621, compared with £71,922 for 1926, and an average of £350,449 for the five preceding years.

The comparative export figures for hides and skins are as follows:—

Hides (Ox and Cow).	Quantity.	Value.	Average value.
	lbs.	£	per lb.
Average 1921-25	22,289,000	664,485	0 7
1926	29,521,000	919,989	0 7½
1927	43,823,000	1,558,688	0 8½

Skins (Sheep and Goat).	Quantity.	Value.	Average value.
	lbs.	£	per lb.
Average 1921-25	37,589,000	1,651,202	0 10½
1926	32,068,000	1,654,628	1 0½
1927	44,827,000	2,159,425	0 11½

The increase in the export of hides during 1927 was due to heavy losses of stock from drought. The increased supplies of hides thus made available in South Africa coincided with a shortage in other parts of the world, and between March, 1927, and January, 1928, prices advanced by about 75 per cent. They reacted, however, to the extent of nearly 20 per cent. during February, since when they have fluctuated considerably, but now stand at a high level.

The prices of both sheepskins and goatskins improved in the latter half of last year, and have since further advanced. Sheepskins now average about 10½d per lb. and goatskins 1s 2d per lb.

Owing to unsuitable weather conditions the Uganda cotton crop is again light, and it is estimated that the output will approximate to 130,000 bales only. The figures for the previous two crops were:—

	Bales.	Value.
1926	180,000	3,050,000
1927	132,000	1,691,000

There has been an excellent demand for cotton seed in Uganda, and large contracts have been made at satisfactory prices.

The 1926-27 cotton crop of the Union and Swaziland is put at 13,359,000 lbs of seed cotton, or 8.194 statistical bales of ginned cotton, which compares with 24,937,000 lbs and 16,305 bales respectively in 1925-26. The crop, though small, was of good quality, the decline in production being due partly to reduced plantings and partly to adverse climatic conditions. The output for 1927-28 is estimated at 17,352,000 lbs of seed cotton, or 10,647 bales of ginned cotton.

In Nyasaland the production of cotton continues to decline. The 1927 output was approximately 560 tons of lint, which is little more than one-half of the 1926 production and only one-third of that of 1925. It is estimated that the production from European estates was about 100 tons only.

The position of the wine and brandy industry has much improved in recent years, and the past season was a satisfactory one on the whole. Not only does the export trade show considerable development, but further expansion is anticipated.

In the Union the crushing of nearly 2½ million tons of cane last season yielded approximately 247,000 tons of sugar, compared with an output of nearly 243,000 tons in the previous season.

The prospects of the sugar industry have been improved by good rains, and the production of cane during the coming season is estimated at 3,000,000 tons, which should yield approximately 300,000 tons of sugar, of which about 100,000 tons will be available for export.

The sugar industry of Kenya and Uganda is expanding, and new factories are in course of erection. Local demand is good, and there is no difficulty in disposing of the output.

The year's exports of fruit from the Union were valued at £1,055,000, an increase of about £172,000 over the figures for the previous twelve months.

As a result of the partial failure of the pear crop, the quantity of deciduous fruit exported during 1927 fell short of the 1926 figures, but the shortage in this direction was to a considerable extent made good by a large export of grapes.

The deciduous season, which has just closed, was on the whole satisfactory. The Department of Agriculture report that from the beginning of the season in November to the end of April, 1928, 27,452 tons of fresh fruit, other than pines, were shipped, compared with 21,430 tons during the corresponding period of last season. The export of peaches declined from 329,992 to 181,010 boxes, while shipments of plums and grapes were also slightly smaller than in the previous year, but shipments of pears, which were a partial failure in 1926-27, increased from 352,280 boxes to 1,020,836 boxes. The condition of the fruit on arrival was generally better than during the previous season, and prices realised were, on the whole, fairly satisfactory.

The production of tobacco in the Union is increasing rapidly, and the crop in the Western Province (mainly Turkish) was a satisfactory one, notwithstanding the dryness of the season. In the Oudtshoorn district the production of tobacco has become almost general, and, although the season was unfavourable owing to drought, a crop of about 3,300,000 lbs was raised. Had the climatic conditions been favourable, the crop might have reached three times that figure. In the Transvaal the crop has been generally good.

The European production of the Union is now officially estimated at 23,500,000 lbs, compared with an estimated crop last season of 20,000,000 lbs. Of this total it is expected that 1,000,000 lbs will be Turkish tobacco, compared with 800,000 lbs last season.

Hitherto the local demand has absorbed, at fairly satisfactory prices, all the tobacco produced, but if, as appears likely, further expansion on a considerable scale takes place, the difficult problem of opening up overseas markets for the surplus will have to be faced.

The 1927 tobacco crop of Southern Rhodesia amounted to 18,631,000 lbs of Virginian and 633,000 lbs of Turkish leaf. Of this production 7,439,000 lbs were exported to the Union and 8,325,000 lbs overseas, the relative figures for 1926 being 2,629,000 lbs and 1,053,000 lbs respectively. The 1928 crop is expected to be large, and of good quality, but as the market is already rather seriously overstocked, the disposal of the new crop is likely to present difficulties and will take time.

Exports of tobacco from Nyasaland during 1927 totalled 15,466,000 lbs, as against 9,142,000 lbs in 1926 and 6,917,000 lbs in 1925. The increase was due to an excellent season in conjunction with somewhat larger European acreages and considerable expansion in the native-grown tobacco.

In the case of Nyasaland tobacco, the market for brights only is overstocked, but there are good prospects for other good grades. The acreage planted for the present season has been considerably reduced, and production is likely to be further affected by the dry weather experienced during February; it is, therefore, probable that this season's crop will be considerably less than last, but the quality is expected to be generally good.

Although during the second half of 1927 prices for wattle bark advanced steadily, the early part of this year saw a decline. There has, however, since been an improvement in demand at slightly better prices, and the prospects for the industry are regarded as satisfactory.

The Natal tea crop is again estimated at about 1,000,000 lbs, and the quality shows improvement. Exports increased from 125,000 lbs, valued at £6,513, in 1926 to 160,000 lbs, valued at £8,042, in 1927. Weather conditions have been favourable for this year's crop, and the yield is expected to be satisfactory. Natal tea, which is of the Chinese variety, is steadily increasing in favour for blending purposes.

Exports of tea from Nyasaland in 1927 amounted to 1,170,000 lbs, valued at £56,640, compared with 1,182,000 lbs, valued at £62,675, in 1926. The condition of the present crop is very satisfactory, and the yield is likely to be the largest on record. Prices, though lower, are remunerative, and the acreage under tea is steadily increasing.

Coffee. In Kenya the coffee crop fell short by some 4,000 tons of the yield expected, but nevertheless exports constituted a record, the value exceeding £1,000,000 for the first time.

As regards Tanganyika territory, the native coffee crop from the Bukoba area is important, and it is estimated that the export this year should reach a record figure of approximately 6,000 tons.

Exports of coffee from Nyasaland for the year 1927 totalled 36,000 lbs, compared with 57,000 lbs, in 1926 and 20,000 lbs in 1925.

Sisal. The considerable expansion in the sisal industry in Tanganyika Territory is reflected in the exports, which increased from 18,276 tons in 1925 to 28,022 tons in 1926 and further to 33,012 tons in 1927.

The quality of the fibre is excellent. In Kenya and Nyasaland also the output of sisal is steadily increasing.

Rubber. Of rubber 1,446,300 lbs were exported from Uganda in 1927, an increase of 90,000 lbs over the figures for the previous year. The heavy fall that has taken place in prices must, however, adversely affect production.

Whaling and Fishing Industry. Exports of whale oil from the Union during 1927 were valued at £330,538, as against £287,217 in 1926.

Whales to the number of 1,094 were caught off the Natal Coast during 1927, which figure compares with 1,239 in 1926. Notwithstanding the smaller catch the yield of oil increased from 7,243 tons to 7,510 tons valued, with the other products, at approximately £204,000, this being £10,000 lower than the figure for the preceding year. The prospects of the industry are regarded as satisfactory.

The value of exports of fish from the Union last year was £290,413, which compares with £266,267 for the preceding year. The increase was due to crayfish exports, which amounted to £202,796 last year, as against £175,632 in 1926.

Other Industries. Generally speaking, manufacturing industries in the Union continue to make satisfactory progress.

The activity in the building trade and its allied industries is maintained.

Manufacturers of clothing have been well employed.

The leather industry, after a period of activity throughout 1927, is not quite so fully occupied, this being the result of the advance in prices consequent upon the higher cost of raw material.

Manufacturers of sweets, confectionery, jam and tinned fruit continue to do well, and, as regards the two last mentioned items, there appears to be some prospect of efforts being made to utilise the advantages offered by South Africa as a fruit and sugar growing country to develop an export trade.

The engineering industry, which is mainly situated in the Transvaal, continues to expand and is now well equipped, being in a position to handle a considerable proportion of even the heavier requirements of the mines.

I will now conclude by moving the first resolution, viz.:—"That the report and balance sheet to March 31, 1928, now presented, be adopted."

and I will ask my colleague, Mr Reiersen Arbuthnot, to second it.

Mr W. Reiersen Arbuthnot: I have much pleasure in seconding the resolution.

The Chairman: Before putting the resolution to the meeting, I will ask the shareholders if they have any remarks to make on the report and accounts.

No questions being asked, the resolution was put to the meeting and carried unanimously.

Dividend Resolution. The Chairman: As empowered by the articles of association, on behalf of the board I now declare a dividend for the six months ending March 31st of 7s per share on 445,833 shares, as a final dividend for the 12 months ending on that date, with a bonus of 2s 6d per share (making, with the interim dividend, a total distribution at the rate of 16½ per cent. per annum), subject to income-tax, to be paid to those shareholders whose names appeared on the register on July 4th, and to become payable on the 28th inst. My colleague, Mr Finlay, will propose the second resolution.

Re-election of Directors. Mr J. F. Finlay, C.S.I.: I beg to propose:—"That the Right Hon. Lord Sydenham, G.C.S.I., F.R.S., Robert Edmund Dickinson, Esq., and Horace Peel, Esq., be re-elected directors of the company."

Mr William Smart: I beg to second the resolution. The resolution was unanimously adopted.

Mr Horace Peel: Ladies and Gentlemen,—I have pleasure in submitting the next resolution, which is:—

"That the appointment of John Paul Gibson, Esq., as a director of the company be confirmed."

I am sure that, after the interesting address which we have just heard from Mr Gibson, and having regard to his known wide experience of banking, and especially African banking, I need do no more than propose the resolution—which I do—and I will ask Mr Clifton-Brown to second it.

Mr E. Clifton-Brown: I have much pleasure in seconding that resolution.

The resolution was passed unanimously amid applause.

The Chairman: I thank you, ladies and gentlemen, for the confidence in me which you have indicated by this appointment. I will now call upon Mr Retallick to propose the next resolution.

Mr J. J. Retallick: Mr Chairman, Ladies and Gentlemen,—I have great pleasure in moving:—

"That A. T. Turquand-Young, Esq., F.C.A., Sir Gilbert Garnsey, K.B.E., F.C.A., and Roderick M. Peat, Esq., F.C.A., be re-elected auditors of the company for the ensuing year at a remuneration of 400 guineas each." These gentlemen are well known and highly respected, and they have been our auditors for several years. I feel sure we cannot do better than re-elect them.

Mr Joseph Nissim: Mr Chairman,—I have equal pleasure in seconding the resolution for the re-election of our auditors at the usual remuneration.

The resolution was unanimously agreed to.

Vote of Thanks The Chairman: Ladies and Gentlemen,—I am glad to have had the privilege of presiding at your meeting to-day, the more so as it affords me the opportunity and the pleasure of moving the vote of thanks to Mr Jeffrey and Mr Shiel, and their colleagues in the administration in South Africa, to Mr Lowndes, the London manager, and to the whole staff of the bank.

From long experience as a servant of the bank in South Africa, I can say that the extremely kind manner in which you have expressed your thanks in the past has been most encouraging to the staff, and was greatly appreciated by them.

The business of the bank extends over vast areas, and has to be conducted under the varying laws and currencies of the different States and Territories, and often under trying climatic and other conditions. The bank owes much to the loyal and efficient help of the staff, from the general managers downwards, and we are indeed fortunate in having our interests served so faithfully and so well.

Having visited every territory in which the bank is represented, I can speak from a full personal knowledge of the difficulties and discomforts under which the affairs of the bank have often to be conducted, and by this resolution we desire to express to the staff our very sincere thanks.

I am very pleased to see that we have with us to-day Mr Robertson, our deputy general manager at Cape Town.

It gives me great pleasure to propose:—

"That the thanks of the meeting be given to the general managers and other officers for their valuable services," and I will ask Sir Bouchier Wrey if he will kindly second that motion.

Sir P. Bouchier Wrey, Bt., C.B.E.: Mr. Chairman, Ladies and Gentlemen,—As one who has had very long experience in South Africa—49 years, I think—and who has seen this bank grow, you may say, almost from its infancy to its present huge capacity, I have very great pleasure in seconding this resolution, for I have had the opportunity of seeing what the general managers, other officers and the staff in South Africa have done in the past.

The vote was cordially approved.

The Chairman: That, ladies and gentlemen, concludes our business.

Vote of Thanks to the Chairman and Directors. Mr. T. L. Gilmour: Ladies and Gentlemen,—There are not many subjects on which I should care to differ from the opinion of the chairman, but I venture to think you will agree with me that that does not conclude the business of the meeting. Ingratitude is not a charge, I think, that can justly be made against the shareholders of the Standard Bank of South Africa. It has been our custom for many years past to place on record our appreciation of the way in which the affairs of this great bank have been conducted during the past 12 months by our board of directors. Well, repetition sometimes lends an air of formality to a resolution, but I venture to think that the board understands that this resolution, which is passed every year by acclamation by the shareholders, does express the very sincere and genuine regard which they have for the board, and their very sincere and genuine thanks for the devotion with which they have discharged their onerous

and responsible duties. Ladies and gentlemen, the resolution is:—

"That the cordial thanks of the meeting be awarded to the directors for their attention to the affairs of the bank, and to the chairman for his conduct in the chair."

Now, I have said one word—and one word only is necessary—as to the attention which the board have directed to the affairs of the bank. I should like to take this opportunity of saying one word from this side of the table as to the extreme pleasure with which the shareholders learned that Mr Gibson, after his long connection with the bank, had become a member of the board. I think it is 17 years since I had the pleasure of meeting Mr Gibson in South Africa. I am not going to ask Mr Gibson to say how many years it is since he began his career in the profession of banking, or even how many years he has been associated with the Standard Bank of South Africa; but I think the members of the board will probably be unanimous in agreeing with me in this: Strong as they have been in the past in their knowledge of business and their knowledge of banking, the accession of Mr Gibson, with his vast experience of South Africa and South African banking, on the board, strengthens an already strong board. I therefore have the greatest possible pleasure in proposing the resolution which I have read to you, asking you to convey to the board and to Mr Gibson our very sincere thanks for their conduct of the business during the past year, and to Mr Gibson for his conduct in the chair to-day.

The Rt. Hon. Lord Balfour of Burleigh: Ladies and Gentlemen,—After the sincere and eloquent speech with which the mover of this resolution has put it before you it would be quite superfluous to add more than one word, and the only word that I wish to say is this: As shareholders in the Standard Bank of South Africa we have an investment which is one of those fortunate things which can be left to look after itself. One of the best attributes it has is that when I occasionally look at the quotation of the shares in the paper—a thing I do not often do—I find it invariably has gone up from the time I looked at it last. I think that if there is any quality which an investment can have apart from good dividend-yielding qualities, that is the best, and with those words I have great pleasure in seconding the resolution.

The resolution was carried with acclamation.

The Chairman: On behalf of my colleagues and myself, I thank you, Mr Gilmour, and you, Lord Balfour, for your very kind remarks, and you, ladies and gentlemen, for the most generous manner in which you have received them.

The proceedings then terminated.

BERTAM CONSOLIDATED RUBBER COMPANY, LIMITED.

DIVIDEND OF 17½ PER CENT.

The ordinary general meeting of Bertam Consolidated Rubber Co., Limited, was held, on the 24th instant, at River Plate House, Finsbury-circus, London.

Sir West Ridgeway (the chairman) said that the production for the past year was rather over 1,800,000 lbs, which showed a drop of 550,000 lbs as compared with the previous year, the smaller crop being due entirely to the restriction regulations. In view of their Eastern stocks for delivery at the earliest date possible part of the year, he thought a total profit of nearly £49,000 was not unsatisfactory, though it bore an unfavourable comparison with that for the previous year, which amounted to over £100,000. The reduction was due to the lower price obtained—1s 3.31d, against 1s 7.86d per pound—and to the lower production consequent on more stringent restriction imposed by the Government. Prices fell considerably on the intimation that a committee had been appointed to consider the future restriction, but, fortunately, the company had no accumulation of stocks in London at that time. Immediately on the announcement of the abandonment of restriction they sold practically the whole of the balance of their Eastern stocks for delivery at the earliest date possible under the restriction regulations, and but for their prompt action in this matter they would not have been able to report over 1s 3d per pound as the average price for their crop to March 31st last. The directors recommended a final dividend of 7½ per cent., making 17½ per cent. for the year.

The estimate of production for the current year was 2,607,000 lbs, and they were hoping to produce that crop at a substantially lower cost. They had sold for delivery approximately half that quantity at prices which would give a small profit.

The board's feeling in regard to the future of the company was one of restrained confidence. They felt that present unfavourable conditions would not continue indefinitely, and that when the present heavy stocks to be released at the end of the year had

been absorbed they would see a gradual return to a stable and more profitable price for what was now an essential world commodity. There was no company in a better condition for weathering the storm than their own company. They were one of the largest rubber estates in the Empire; they had an enormous acreage of well-cultivated rubber; they had an excellent and contented staff and ample labour supplies; but perhaps best of all they had abundant cash resources, which should enable them to carry on under the most difficult conditions which might prevail.

The report was unanimously adopted.

THE ZINC CORPORATION, LIMITED.

EFFECTS OF FALL IN METAL PRICES.

The 17th ordinary general meeting of the Zinc Corporation, Limited, was held, on the 25th instant, in London, the Right Hon. Sir Robert Horne, G.B.E., K.C., M.P. (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said:—"The most outstanding item in the profit and loss account is the figure of profit carried to the appropriation account, which has dropped from £424,000 in 1926, to £259,278 in 1927. This decrease is entirely due to the lower price of metals. Lead, which in 1926 brought an average price per ton of £31 2s 3d, realised only £24 8s in 1927. Spelter similarly fell from an average price of £34 2s 8d in the previous year to £28 9s 11d last year. Silver, happily, did not show the same weakness, but sustained its value well throughout the period.

The drop in lead and spelter earnings would have had a much more serious effect upon the profits of the year had it not been for considerable improvements which we were able to effect at the mine. Our output has been greater. We have been able to treat a tonnage which exceeded the figure of the previous year by 20,000. Our metallurgy has improved, and as a consequence of these combined circumstances our working costs were lower. In the result, while we cannot but regret that our profits are diminished owing to disadvantageous prices beyond our individual control, we reflect with some confidence upon the fact that, if and when prices again rise, we are in a much better position to take advantage of them than we were before.

We have effected some reduction in administration expenses, and the figure for Dominion taxes and mining royalty, following the decline in our profits, shows a reduction of nearly £30,000.

On the other side of the profit and loss account you will be glad to notice that the revenue from interest and dividends has reached the amount of £87,719, being £10,000 in excess of what we realised in 1926.

The effective result of the profit and loss account is that we carry to the appropriation account a sum of £259,278 2s. After debiting the fixed preferential dividends and the interim dividends of 1s 6d per share on both classes of shares paid on January 3rd last, a balance of £154,457 0s 4d was taken to the balance-sheet. Out of that sum the directors have declared and paid the last half of the participating dividend of 2s 6d per share—requiring £112,353 17s 6d—which leaves a balance of £42,103 2s 10d to be carried to the next account. This compares with £21,855 0s 11d brought in from the accounts of 1926.

There appears to me to be a very good case indeed for considering better regulation of market supplies of lead and spelter, and, if need be, regulation of production. The effect of the fall in metal prices upon our earnings is too obvious to require comment. In the meantime our policy has, of course, been to some extent affected by the immediate conditions of the markets. Owing to the fall in metal prices, we restricted development, as from June last, to work essential to maintain good ventilation and to open up sufficient ore for the maintenance of elastic mining conditions, so essential for economic extraction. Despite this restriction, it is gratifying to record the satisfactory increase in ore reserves of 159,646 tons. This brings our reserves to a total of 2,626,707 tons, containing 14.6 per cent. lead, 3.1 ozs silver, and 10.7 per cent. zinc. These figures do not include the zinc lode, the tonnage for which has also been increased to a total of 245,696 tons, containing 6.4 per cent. lead, 1.4 ozs silver, and 18.1 per cent. zinc.

In conclusion, the Chairman referred to his recent visit to the mine. The mine was in excellent condition, and the men were working well. He was assured by those who were in charge that the underground position had never been so good and that the prospects were entirely favourable. He would venture to congratulate the shareholders on the strength of the company. By reason of the wise administration of past years, they were equipped with resources which provided them with a substantial dividend.

The report and accounts were unanimously adopted.

FURNESS WITHEY AND CO., LIMITED.

INCREASED PROFIT AND DIVIDEND.

CHAIRMAN'S FAITH IN THE FUTURE.

The thirty-seventh annual general meeting of Furness, Withy and Co., Limited, was held, on the 25th instant, at the registered office of the company, Furness House, Leadenhall street, London. Sir Frederick W. Lewis, Bart., presided, and was supported by the directors of the company.

Sir Frederick W. Lewis, Bart., in moving the adoption of the report and accounts, said: I am in the somewhat difficult position of having to reconcile the results of a satisfactory year's operations with the fact that the shipping industry is still in the throes of acute depression. So far as the figures are concerned, including the amount brought forward from last year, there is a balance of £821,564 to the credit of the profit and loss account as compared with £753,814. This is partly due to last year's increased carry forward, but all the same there is an actual increase in the trading profit of some £24,000.

There has already been paid the two half-yearly dividends on the preference shares—£60,000—and we propose to set aside £20,000 for depreciation, leaving £561,564 at our disposal. I referred last year to our intention to alter our method of dividend payments, on the general grounds of economy and convenience to shareholders. Hitherto it has been our practice for many years to pay two half-yearly dividends of 2½ per cent. on the ordinary share capital, and to declare a bonus according to the results apparent when the annual accounts are before us.

THE DIVIDEND.

It will be within your recollection that, in accordance with the procedure which I foreshadowed at our last meeting, an interim dividend was declared in October last, and paid at the end of December, of 5 per cent., less tax, and I now have pleasure in submitting that a final dividend be paid of 5 per cent., less tax, making 10 per cent. for the year. This compares with a distribution of 7½ per cent., free of tax, a year ago, and at the present rate of income-rate is equal to a dividend of 8 per cent., free of tax, and therefore represents a slight increase. This recommendation will leave a balance of £241,564 to be carried forward to the current year's accounts, which incidentally is an increase of nearly £50,000 compared with the amount brought in.

It is quite a customary thing to build up an increased carry forward in anticipation of a possible reduction in profits in the succeeding year, and while this is not in our minds in the present instance, I am frank to state that if it were it would not be unjustified by the continued depression with which we have to labour. I am well aware that this may appear to be inconsistent with the increase in our profits last year, but this increase is entirely due to the policy upon which our company has been built up, and, in fact, the direct earnings of our shipping property show a material reduction compared with the previous year. However, it is fortunate that speaking generally the various undertakings in which we have interests have prospered, and that is the explanation of our increased profit notwithstanding the general depression.

The development of our business continues along normal lines in the belief that we must prepare ourselves for the improvement which will eventually come unless all preconceived ideas of trade cycles and precedents are to be confounded.

The six twin-screw motorships which were under construction last year for our Pacific Coast-U.K. trade have all been delivered and are operating successfully. This gives us a fleet of nine motorships in this trade, and as there is still one steamer employed there, we have ordered another duplicate motorship, which should come into commission about a year hence.

LOSS OF THE ASIATIC PRINCE.

Of our subsidiary companies, the Rio Cape Line, perhaps, needs special mention on this occasion. It will, no doubt, be within your recollection that some weeks ago the Rio Cape Line had the misfortune to lose one of their most modern motorships engaged in the New York-Far Eastern trade, in circumstances which still remain inexplicable. We had previously been considering the desirability of adding another vessel to the New York-Far Eastern service, in view of the success and popularity of the existing service, and in consequence of the loss of the Asiatic Prince we have now placed orders on the Clyde for two vessels of the same speed and design, with Duxford motor engines, and until the new vessels are ready in 1929 the Asiatic Prince has been replaced by the Royal Prince.

NEW VESSELS FOR PRINCE LINE SERVICE.

We have also placed orders on the Clyde for four large vessels for the Prince Line service between North and South America. This is a trade which has been served by the Prince Line for

a great many years, and in which they consequently have a large amount of capital at stake. Unfortunately, in recent years very keen competition has developed, and we are faced with the necessity of keeping abreast with our competitors or of sacrificing our goodwill. The four new vessels which we have ordered will be motor driven, with a deadweight capacity of 9,000 tons, including 150,000 cubic feet of cool air and refrigerated space, and will have a service speed of 16 knots. It is intended to name them Northern Prince, Eastern Prince, Southern Prince and Western Prince.

QUEENSTOWN SHIPYARD.

I regret to have to turn, for a moment, to a far less pleasant item in my general review. I have, in each of my last two addresses, referred to the Queenstown Shipbuilding Dry Docks and Engineering Company, Limited, and this company has continued to cause us no little anxiety. Geographically, Queenstown is at a disadvantage compared with ship repair works in this country, and this is a feature which no amount of thought or intensified organisation can overcome, in addition to which either storms are of less frequent occurrence or of less severity. Alternatively, ship construction and design has caused breakdown to become less frequent and the advance of wireless telegraphy has not been without its effect.

Whatever the causes may be, it is undeniable that fewer vessels put in to Queenstown in distress than was the case in former days. After most careful consideration, therefore, we have most reluctantly decided to close the yard down, and this decision is now being given effect to with great regret.

ACQUISITION OF CAIRNS NOBLE AND COMPANY.

With a view to extending our general shipping business and securing an additional interest in Empire trade, we acquired a few months ago the old-established business of Cairns Noble and Company, managers of the Cairn Line of Steamships, Limited, which operate regular services between Newcastle, Leith and Montreal, and between Hamburg, Bremen and Montreal. Apart altogether from the general shipping business of Cairns Noble and Company, we believe that the arrangements made will be to the mutual advantage of the Cairn Line and ourselves. In fact, such has already proved to be the case, although it is unfortunate that in the first few months of the Montreal season markets have been exceptionally dull, and grain shipments in particular have been on a much lower scale than is customary.

The British Maritime Trust continues to expand, and the Economic Insurance Company has been able to distribute a dividend of 10 per cent., free of income-tax, on its doubled capital, which now consists of 1,000,000 shares on which 5s per share has been paid up.

The Houlder Group of Companies, in which are embraced the Houlder Line, the Furness-Houlder Argentine Lines, and the British and Argentine Steam Navigation Company, Limited, the management of which is supervised by Houlder Brothers and Company, Limited, under the particular guidance of my colleagues Mr Frank Houlder and Mr W. C. Warwick, have also contributed a considerable share towards the prosperity of our company. I referred last year to the new motor-ship *Dunster Grange*, then building by the Houlder Line for the South American trade, and I now have pleasure in recording that a sister-ship—the *El Argentino*—built for the British and Argentine Steam Navigation Company, came into commission in April last, and has just completed her maiden voyage. Both these vessels are fitted throughout for the carriage of refrigerated produce, and each has very tastefully designed accommodation for 12 first-class passengers.

Our American business, skilfully supervised by our resident director—Mr H. C. Blackiston—taken as a whole, has given a very good account of itself.

FUTURE OUTLOOK.

Notwithstanding the present depressing outlook, we have faith in the future. Shipowners are naturally much interested in the general trade of the country, and it is satisfactory to note the gradual improvement in the Board of Trade returns. But we are in reality carriers for the whole world, and many of the Furness Line services do not touch this country at all, although they contribute, in some measure, to that most important item in the national Budget—invisible exports. Our faith in the future lies in the fact that our interests are so widespread, and that we are all the time doing our utmost to keep step with trade developments.

I believe I can add very little that would interest you about our many ramifications, and, while we enter upon the current year with intangible hope and faith, it would be misleading if I ignored the fact that freight rates—which, after all, are the tangible signs by which we judge the future—are discouraging, although I am glad to say that during the past few days an improvement has been in evidence, which I sincerely hope will be of a lasting character.

Mr Robert E. Burnett seconded the motion, which was carried unanimously.

MERCANTILE AND GENERAL INSURANCE COMPANY, LIMITED.

SATISFACTORY DEVELOPMENT OF THE BUSINESS.

The ordinary general meeting of the Mercantile and General Insurance Company, Limited, was held on the 24th instant, at 25-31 Moorgate, London, Mr Richard S. Guinness (chairman of the company) presiding.

The secretary (Mr H. P. Hewitt) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Your directors feel great satisfaction, which we trust you will share, in the report and accounts now submitted to you, which show a generally satisfactory development in our business.

I will deal first with the life assurance account, as this year marks the close of the second quinquennium in our life department; in other words, it is now ten years since we inaugurated life reinsurance. Our actuary's report for the second quinquennium is laid on the table at this meeting, and I am glad to say that our mortality experience throughout has been within the expectation, and that after a stringent valuation, which makes allowance for all contingencies, the life fund shows a surplus amounting to £3,312 os 10d, which is carried forward in the life fund. This surplus may seem small, but you must remember that all our business is transacted on a non-profit basis, and that we have no bonuses to provide for, also that we are building up our life account from year to year, and that the process is a slow one, though, I hope, sure, and we look forward confidently to the day when this department will contribute its quota to our profit and loss account; for the time being we think it more prudent, as I said, to leave this surplus in the fund. This fund now amounts to £232,147.

It is satisfactory to note that at the close of our last quinquennium, in 1922, the life premium income for the year was £25,436 net, whereas for the year 1927 the life premium income is £76,492 net. Another satisfactory feature is that in 1922 our expense ratio was 34.2 per cent. a figure inevitably high in the early stages of a life account, whereas for the year 1927 the expense ratio has been reduced to just below 20 per cent. This department is conducted with every possible economy coincident with efficiency and the expense necessary for the extension of our business.

FIRE AND MISCELLANEOUS BUSINESS.

Turning to our fire and miscellaneous account, the premium income for the year amounts to £1,411,598 gross, with a net retention of £682,735. Both figures show an increase over 1926 and continue the promise of steady and conservative growth which we have enjoyed for some years past.

The claims in connection with motor insurance have been heavy, and hail business has also shown an abnormal loss ratio; while our premium income from hail business is comparatively small, a year such as 1927, with inclement weather conditions all over Europe, is apt to prove costly.

INCREASE IN INTEREST RECEIPTS.

The profit and loss account discloses a satisfactory increase in interest receipts, while the necessary adjustments we make very year in connection with exchange and other items show only a nominal debit balance. After providing for income-tax, the transfer to marine account and the usual amortisation of leasehold properties, we recommend you to transfer £16,000 to general reserve fund and to pay the same dividend as last year—namely, 8 per cent., free of income-tax. After providing for this dividend and the transfer of £1,000 to superannuation fund, to which I am sure you will agree, we carry forward a balance of £45,193 to the credit of profit and loss account.

Our balance-sheet again shows a strong and liquid financial position. Our invested funds and cash in hand amount to a total exceeding £750,000, of which £651,644 is represented by investments. These investments stand in our books at cost or under, and I am glad to be able to tell you that a valuation based on market values and other reliable data as at December 31st last shows a substantial appreciation, and, as you will see from the details given in the balance-sheet, over £240,000 is invested in British and Colonial Government securities, including issues guaranteed under Trade Facilities Acts.

You will remember that at a meeting held in November last you passed the necessary resolution to enable us to merge our reserve funds which formerly were shown in the balance-sheet under two headings into a general reserve fund, and this resolution has been given effect to in the year's accounts, so that our general reserve fund, including the appropriation now made, amounts to £85,000. Adding thereto the carry-forward on profit and loss account and the uncalled liability on our shares, we have available some £300,000 over and above the reserves shown in the balance-sheet in connection with the separate branches of our business.

Mr C. M. Woodbridge seconded the resolution, which was carried unanimously.

EASTERN TELEGRAPH COMPANY, LIMITED.

SERVICES MAINTAINED—WIRELESS MERGER.

The annual general meeting of the Eastern Telegraph Company, Limited, was held, on the 24th inst., at Electra House, Moorgate, London. Sir John Denison-Pender, G.B.E., K.C.M.G. (chairman), presided.

Mr Edward Wilshaw, F.C.I.S., read the notice convening the meeting and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said: The gross revenue for the year under review amounted to £3,306,909, against £3,436,690 in 1926, or a decrease of £129,781. I would, however, point out that the interest and dividends received on our investments are included gross, whereas in the past only the net amount received after deduction of income-tax has been included in the revenue. But for this fact the disparity between the two years would, of course, have been greater. The total working expenses for the two years were as follows:—1926, £2,338,729; 1927, £2,358,983, showing an increase in 1927 of £20,254. The year's working resulted in a profit of £947,926, against £1,097,961 in 1926, showing a reduction of £150,035.

There is, further, an increase of £31,734 in the charge for income-tax payable in England, which is chiefly due to the altered method of dealing with the income from investments to which I have referred, so that the net profit is nearly £182,000 less than for the preceding year, in addition to which £49,000 less was brought forward from the previous year's accounts, so that the net amount available for distribution is about £231,000 less than at December 31, 1926.

We have placed £150,000 to the credit of the general reserve fund, and, for the ninth year in succession, have paid a dividend on our ordinary stock of 10 per cent., free of income-tax, while the amount now carried forward is increased by over £19,000, and amounts to the substantial sum of £525,765.

COMPANY'S SYSTEM WELL MAINTAINED.

Continuing, the Chairman said that the company's system had been maintained in a high state of efficiency, and the installation of the regenerator referred to a year ago had been completed on all main line circuits. The direct circuit between London and Bombay was awaiting completion of the underground lines between Suez and Port Said; this was expected within the next few weeks. Thus, with two new cables between Port Said and Alexandria laid during the year, the regenerator would be working between Electra House and Bombay. As a result of the thorough working of these long trains of stations, traffic had greatly benefited by gain in accuracy and speed. Further reductions had been made in rates with South Africa and India, the rates now being 1s 8d and 1s 5d per word respectively, these being in addition to the reduction in the rates to Australia and New Zealand. As approximately 85 per cent. of the traffic was sent in code, the sender was able actually to obtain very low rates of charge per word—namely, reductions varying from 50 per cent. to 80 per cent. of the full rate tariff. It was also now possible to send cheap rate week-end telegrams under certain conditions to Australia at 7½d per word.

WIRELESS COMPETITION.

It was in 1902 that the Governments first entered into active competition with these companies by laying a cable across the Pacific, and last year further competition was established by beam systems of wireless between this country and Australia, the Cape, and India. These beam services, working at lower rates had attracted a considerable amount of traffic of certain classes from their own system, but the Eastern and Associated Cable Companies still continued to carry both a much larger volume and value of traffic than the Government wireless services between the respective countries where they were in competition, and this in spite of the materially lower wireless rate. It was clear, therefore, that the cable still held a definite and important part in the communications of the world. At the same time, they could not afford to lose the traffic which the wireless at the lower rate took away from their system. As to the negotiations with the Government and the merger with the Marconi Company, the Imperial Wireless and Cable Conference had been able to arrive at unanimity in putting forward their recommendations, and he had every hope that in the near future the directors might be able to announce a satisfactory conclusion to these negotiations. If the anxious time through which they had passed resulted in the formation of a merger company comprising the whole of the overseas telegraphic communications of the Empire, whilst maintaining their connection with foreign countries, with suitable protection for the public in the matter of rates, and a reasonable return on the invested money, coupled with a mobility and efficiency of service unsurpassed, one of the greatest advances in British commercial enterprise would have been achieved.

Mr J. C. Denison-Pender (vice-chairman) seconded the resolution, which was unanimously adopted.

EASTERN EXTENSION AUSTRALASIA AND CHINA TELEGRAPH COMPANY, LIMITED.

SATISFACTORY RESULTS OF YEAR'S WORK.

The annual general meeting of the Eastern Extension Australasia and China Telegraph Company, Limited, was held on the 26th instant, at Electra House, London.

Sir John Denison-Pender, G.B.E., K.C.M.G., the chairman, said: Owing to your directors having been engaged in important negotiations, to which I shall later refer, our annual meeting, which is usually held in May, was postponed to this date, solely with the object that it might have been possible to have then given you some fuller information on the subject than was available at the earlier date.

NET PROFIT.

Dealing with the accounts for 1927, the net result, before charging income-tax payable in England and interest on the 4 per cent. mortgage debenture stock, shows a profit of £1,068,144, as against that for 1926 of £1,115,974, the revenue being decreased by £68,624 and the working expenses by £20,794.

Under the heading of "income-tax payable in England," it will be observed that this item is £65,974 in excess of that figuring in the 1926 accounts. This, I am pleased to say, does not indicate an increase in taxation, but is mainly due to the fact that interest on reserve fund investments is now shown in the accounts gross and not net.

The balance to be dealt with is £838,191, plus the carry forward from 1926 of £415,430, making a total of £1,253,621, from which sum £200,000 has been placed to the general reserve fund, £400,000 paid in dividends, and £653,621 has been carried forward.

Your directors considered the carrying forward of the large amount specified as being advisable in view of possible contingencies in connection with the proposed merging of radio and cable interests.

The amount appearing in the balance-sheet under the heading "Loan to the Chinese Board of Communications" as £75,412, has been reduced during the past year by the sum of £13,990 through exercise of the lien to which I referred when last addressing you. The continuance of such exercise will, in all probability, fully liquidate the amount still outstanding by the date fixed in the agreement of 1911 with the then Imperial Chinese Board of Communications, namely, December 31, 1930.

When the facts are taken into consideration that cable tariffs to Australia were reduced in February, 1927, and Beam wireless to Australia was commenced in April, 1927, you will, I think, agree with me that the result of our last year's work has been satisfactory, and I may add that the result of our working covering the period subsequent to that dealt with in the accounts now before you has also been satisfactory.

CHINA.

You are, of course, conversant with the events which have happened in China. One can only hope that with the cessation of hostilities and the fusion of the parties desirous of forming a Nationalist Government, China will enter on a period of more peaceful and steady progress than has existed for several years past. On previous occasions I have mentioned that negotiations had for some years past been in progress between the Chinese Telegraph Administration and the Great Northern and our Telegraph Companies. It has not been possible to arrive at an understanding, owing to the Peking Telegraph Administration, with whom the companies have agreements covering the whole of China, not having jurisdiction over the various other telegraph administrations which had come into being during the past years of turmoil. Now that there would appear to be some prospect of the telegraph affairs of that country coming under a more unified control, I am hoping that headway will be made in the matter.

It has been practicable for the companies to keep the settlement of traffic accounts fairly up to date, but only by the enforcement of cash payment on telegrams handed to us for transmission by offices of the Chinese Telegraph Administrations, and by weekly settlements of accounts. These measures would readily be removed as soon as circumstances justifiably permit.

The Eastern Telegraph Company, with which the Eastern Extension Company is closely allied, held its annual meeting on Tuesday last, when I gave, as far as was possible, a full account of the important negotiations which have been taking place during the last seven months, and which I hope to see confirmed very shortly.

It is difficult for me to go over the ground again without repeating what has already been said, and I therefore propose sending the shareholders of the Extension Company a full report of the proceedings of the Eastern Company's annual meeting.

I now beg to propose:—"That the printed report and accounts of the directors for the year ended December 31, 1927, submitted to this meeting, be, and the same are hereby received and adopted; and that the dividend of 10 per cent., free of income-tax, paid for that year, be approved."

Viscount Inchcape seconded the motion, and it was carried unanimously.

TANGANYIKA CONCESSIONS, LIMITED.

VERY SATISFACTORY SITUATION.

The ordinary general meeting of Tanganyika Concessions, Limited, was held on the 26th instant.

The Chairman, Sir Reginald Wingate, in the course of his remarks, said: The position of the company is clearly set out in the report and accounts which are before you, and I venture to think that you will consider the situation to be very satisfactory.

Sir Robert Williams, Bt., (managing director), in the course of his address, said: Your liquid resources at the date of the balance sheet amounted to £1,137,162 represented by cash, investments, and loans to brokers.

The shares and debentures in other companies which are entered in the accounts at cost or under, stand at £6,258,797, as compared with £5,032,192 for the previous year. To-day, at current market prices, the quoted shares and debentures alone represent a value of over £13,300,000, in addition to investments, loans to brokers and cash now standing at £1,094,000, and the total value of these capital interests exceeds by nearly £9,000,000 the nominal amount of your issued capital.

As the result of the year's operations, in addition to the 10 per cent. dividend on the preference shares for the year to June 30, 1928, it is proposed to maintain the same rate of dividend on the ordinary shares as last year, namely 7½ per cent., of which 5 per cent. has already been paid. It is also proposed to pay an interim dividend for 1928 on the ordinary shares of 5 per cent.

UNION MINIERE—STEADY IMPROVEMENT.

The operations of the Union Minière, which are fully set out in the report, show steady improvement, the production of copper for 1927 of 90,000 tons being 10,000 tons in excess of 1926. The divisible profits (which include the returns from tin, radium and cobalt, amounted to about 140,000,000 francs, practically the same as in 1926, and the accounts show that over 50,000,000 francs were written off for depreciation.

At the end of last year the reverberatory furnaces were started up and are now in full operation, with the result that the production of copper shows a marked improvement and reached a total from all sources for the first six months of this year of 57,605 tons, and will probably amount to some 115,000 tons for the whole year. This reverberatory furnace plant has a capacity of about 40,000 tons per annum and produces copper at less cost than the blast furnaces.

The development of the Eastern Mines is proceeding according to plan. The copper output is steadily growing, while improvements in the existing plant and new and up-to-date plant additions are bringing about better operations and a general decrease in the cost of production. With the opening of the Western Mines, a new stage of development will commence, because when the Benguela route is completed and hydro-electric power and leaching are available, the Union Minière will be able to treat a much lower average grade of ore and produce the cheapest copper in the world.

THE RAILWAY.

In a few weeks the railway will reach the new frontier of Angola. It is a work of which you may well be proud, carried out as it has been in the face of many difficulties. It is constructed through one of Portugal's greatest and most promising colonies, and British materials have been used throughout. As the result of the happy combination of Portuguese and British enterprise, not only has the rapid development of vast tracts of fertile country in Angola been made possible, but British trade has benefited to the extent of millions of pounds, and from the development which will inevitably result, will undoubtedly benefit to the extent of millions more. When the Benguela route is completed, supplies of the best Welsh coal could be delivered to Katanga at a cost, little, if any, in excess of the cost of Wankie fuel and of a much higher quality.

KANSANSI.

Although one cannot give a definite opinion until the development work is completed, it may be fairly said that the results disclosed are of a distinctly promising nature.

Early this year, while at Khartoum, I approached the Sudan Government with regard to the extension southwards of their railways towards our mining interests, and they are giving the matter their careful consideration. It would be an interesting development if your discoveries in the Sudan and Uganda were to result in the extension of the Cape to Cairo railway southwards, just as your discoveries in Rhodesia and Katanga led to its extension northwards.

The usual formal resolutions were passed. The shareholders congratulated Sir Robert Williams on his honour in the baronetcy, and the meeting terminated.

BRITISH METALLISING COMPANY, LIMITED.

SUCCESSFUL START.

GOOD PROSPECTS FOR EXPANSION.

The statutory general meeting of British Metallising Company, Limited, was held at River Plate House, Finsbury circus, E.C. 2, on Monday, July 23rd, under the presidency of Mr Berkeley Fairfax Conigrave, the chairman of the company, who said that after payment of expenses in connection with the formation and issue of the company and other outgoings, the company's financial position was healthy, the cash at bankers being £64,025 19s 5d. There were no items in the account calling for comment, as the figures were self-explanatory, but generally speaking there was every reason to be satisfied with the financial position of the company.

The company was formed to acquire the assets and business of the Precious Metal Industries, Limited, consisting of freehold works at Caterham, Surrey, stock in trade, patents, trade marks, &c., excluding cash and book debts. These assets include the rights of the invention of Mr Warren—who was under contract to the company—for a process of applying a metallic coating or covering to non-metal and other base materials.

The utility of such an operation needed no argument. Their predecessors, Precious Metal Industries, Limited, clearly established the practical and commercial value of Mr Warren's various patented processes. The patent rights in Great Britain, United States of America, France, Germany, Canada, Australia, India, Italy, Spain, Holland, and Belgium had been greatly extended by various improvements covering the metallising of various materials, including acetate of cellulose, synthetic resins, celluloid casein, horn and tortoise-shell, which, when granted, should greatly extend the sphere of the company's future operations. In view of the Christmas trade, they were erecting additional accommodation at Caterham.

Two samples before them showed a new standard of the silver-smith's art in which there had been no such development since the introduction of electro-plating in 1830. There was a large avenue for articles manufactured by the company's processes in the electrical, motor and building trades, and the opinion of competent technical men was that there were great opportunities for the further development of the business.

A brief discussion followed.

Mr F. Heron Rogers, M.I.Mech.E., M.I.Chem.E., a director, said that they were applying the process to many more articles than were on exhibition—electrical fittings, finger plates, and so on, which were used in domestic ways and in the building trades.

The Chairman pointed out that the articles brought to the meeting for inspection were of a very varied and comprehensive character, with things suitable for either sex and of a most artistic nature. They included, *inter alia*, toilet sets, smoking sets, combs, brushes, mirrors, cigar and cigarette holders, fountain pens, and fancy goods of every description, while it was emphasised that for price, quality and general attractiveness the Birmingham, and other manufacturers of such goods, could not possibly compete with the articles produced by their company.

AMALGAMATED WALLPAPER MILLS, LIMITED.

The statutory meeting of Amalgamated Wallpaper Mills, Limited, was held on the 23rd instant, at the Cannon Street Hotel, London, Lieut.-Col. Sir William F. T. O'Connor, C.S.I., C.I.E., C.V.O. (the chairman), presiding.

The Chairman said: The directors are able to state that the business of the company is proceeding in an extremely satisfying and gratifying manner. The progress the company has been able to make is much in excess of what we anticipated, owing largely to the business capacity and enterprise of our managing director, Mr Samuel Rubenstein. Through his efforts the company has been fortunate in being able to avoid the position of having to wait until such time as the proposed new factory at Greenford could be erected before the company would be in a position to earn substantial profits. Our managing director a few weeks ago was able to arrange for the company to purchase the entire share capital of two large fully equipped up-to-date modern wallpaper mills abroad, which mills have working twenty-one printing machines and have a very large and profitable clientele at home and abroad, the profits of which will immediately accrue to this company. These purchases, which are now completed, have been carried through at an extremely reasonable figure, and the company is now in the position of being able to meet all demands for the supply of its goods immediately. Extensions to the buildings and the provision of additional machinery is already in progress, and by the end of October of this year we shall have five additional machines installed, which will enable us to produce a special class of wallpaper which is in very great demand.

Negotiations are in progress for the purchase of further mills which, subject to the directors' approval, will in due course be

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amalgamated with this company, and it is hoped materially to increase even the present excellent business outlook both at home and abroad which the directors are able to put before you. Arrangements have been made with another company for the marketing of part of this company's products, the importance of which may be realised when I state that one result of this arrangement will be that from this source alone additional profitable business should result which in itself should be considerably greater than the entire previous existing turnover of the vendor company.

Mr Samuel Rubenstein said that the directors were thoroughly satisfied with the excellent progress the company had made, and they had every right to look forward to the future with the greatest possible confidence.

THOMAS DE LA RUE AND COMPANY, LIMITED.

PROSPECTS OF DIVIDEND FOR CURRENT YEAR.

The thirty-first ordinary general meeting of the shareholders of Thomas De la Rue and Company, Limited, was held, on the 25th inst., at Winchester House, Old Broad street, London, Mr Sidney Streatfeild Lamert (the chairman and managing director) presiding.

The Chairman, in moving the adoption of the report and accounts, said: In regard to the balance-sheet generally, I may say that I consider it is the first clean balance-sheet we have had during the five years I have been connected with the company, for we are in the position of the village blacksmith, and do not owe anybody anything. We have never been in that position before.

This is a great improvement in a company like this, where our credit is vital, because we are doing bank work. In the current year we hope to begin dividend payment. That statement has been made by the directors, and we hold ourselves responsible for having made it. I have had one or two letters from shareholders who have reminded me that at our very first meeting I used these words: "I have reason now to anticipate that the loss will quickly be ended, and that before long we shall be in a position to pay a dividend." At that time I saw clearly that a dividend was possible in about two years, but in 1925 the lawsuit in regard to Waterlow and Sons was started, and I should just like to say this: That as the result of loss in work and disturbance, together with the actual cash outlay to eminent counsel, solicitors and sundry witnesses, together with the £50,000 we paid to Waterlow's under the settlement we were obliged to make, that lawsuit represents a dividend of 5 per cent. for three years; so I think that while my previous statement has been challenged, it is fair to say that the costs of the lawsuit, which is now completely at an end, have been equal to a 5 per cent. dividend for three years. Unless something absolutely unforeseen happens we are going to stand up to-day as a dividend-paying concern. As far as the transfer of the pen business is concerned, we have been in this unfortunate position—that we have a competitive business, and the pen factory has been attached to our printing business. All the pen employees have joined the Paper Workers' Union, and not only have we been the only pen factory in this country working under trade union principles and rates, but in addition we have had to pay a higher rate because we are a printing office as well. We have not got away from trades unionism, upon which I am making no attack, but we have moved up to Scotland, where rates are very much lower and where we can work very much cheaper. This step was absolutely necessary.

Mr Herbert T. Marsh seconded the motion, which was carried unanimously.

UNION COLD STORAGE COMPANY, LIMITED. COMPANY'S NEW PRODUCT "BEEFEX."

The thirty-first annual general meeting of the Union Cold Storage Company, Limited, was held, on the 25th instant, at Winchester House, Old Broad Street, London, Mr Roger P. Sing (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that their figures for 1927 had been maintained at practically the 1926 level, and that the available balance at the credit of profit and loss account was £1,160,421. It was proposed to declare the usual dividend of 10 per cent. on the ordinary share capital, and carry forward £178,018. They had made the necessary provision to redeem and pay off the whole of the outstanding debenture stock. During 1927 they had experienced the effect of the running of all the new Blue Star Line steamers, and the development had still further helped to bring their fine products to the market in a condition as near perfection as possible. Five of the Blue Star Line steamers, the *Almeda*, *Avila*, *Arandora*, *Avelona*, and *Andalucia*, were equipped for, and had entered the passenger service between the United Kingdom, Brazil, and Buenos Ayres, and they had deservedly attracted a very satisfactory share of that business. He had never known conditions in the meat business to be exactly easy, and certainly during the year 1927 they were difficult, both at home and in the countries of production. In some ways conditions had eased, but there was now a general increase in the costs of cattle in all countries from which Great Britain drew her meat supplies, and it was more difficult to establish a corresponding increase in the selling price than to reduce prices when cattle prices were falling. Their trade through their retail shops was satisfactorily maintained. The cold storage business, which fortunately now formed a comparatively small portion of the operations of their company, continued to be unsatisfactory.

As regarded new developments, he would mention the latest new product they had put on the market, that was beef extract made in their own factories under the most favourable conditions, which they were placing before the public under the registered name of "Beefex." Shareholders would find there was nothing of superior quality on the market.

As to the result of their operations for the first six months of the current year, he was pleased to be able to say again on this occasion that their earnings for that period compared very favourably with the corresponding period last year.

Mr John M. Sing seconded the resolution, which was carried unanimously.

ZAMBESIA EXPLORING COMPANY, LIMITED.

STRONG FINANCIAL POSITION.

The ordinary general meeting of the Zambesia Exploring Company, Limited, was held, on the 26th inst., at River Plate House, Finsbury Circus, London, General Sir Francis R. Wingate, Bart., G.C.B., G.C.V.O., G.B.E., K.C.M.G., D.S.O., presiding.

Sir Robert Williams, Bart. (managing director), said that the profit and loss account, after making every reasonable provision for shares and debentures, and transferring a substantial amount to reserve, showed a profit for the year of £184,767, as compared with £181,922 for the previous year. It was proposed to pay the same dividend as last year, namely, 10 per cent., with a bonus of 10 per cent., both less tax, making a total distribution for the year of 20 per cent. The company was in a strong financial position; the quoted securities, together with cash and investments and loan to brokers, represented at current market prices over £2,200,000. As the result of realising past investments on a highly profitable basis, they had in hand very large liquid resources, and were in a stronger position than ever as a finance company to seize opportunities of further remunerative business.

After reviewing the company's interests, Sir Robert, in conclusion, said that he thought shareholders might be well satisfied with the state of the company's affairs. The Benguela Railway, in which they held a large number of debentures acquired at a very reasonable figure, was practically completed, and the market value of that company's stock was steadily increasing. The Tanganyika Concessions, Limited, had become a powerful company with great and growing resources. The market value at the present time of its quoted shares and debentures alone, including investments and loans to brokers, represented over £14,000,000. Not only did they hold a large interest in Tanganyika Concessions, Limited, but they were associated with them in various enterprises with great speculative possibilities. In partnership with Tanganyika Concessions, Limited, the company's success had been the result of a bold policy of pioneering work, based on big African experience, and he saw no reason why the same policy should not be equally successful in the future. They were prospecting great areas in the Sudan and Uganda, and he believed that, if they persisted in their endeavours, and were treated fairly by the Governments

whose countries they were trying to develop, they would succeed in building up other railway, mining, and agricultural interests of great value. At any rate, they would be assisting in the development of a great continent, and their efforts would help the trade and prosperity of their country, which still, as always, depended on its pioneering spirit.

The report and accounts were unanimously adopted.

GOVERNMENT RETURNS, &c.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Total Receipts into the Exchequer from April 1, 1928, to July 21, 1928.	Week Ended July 21, 1928.	Week Ended July 23, 1927.
Balances in Exchequer on 1st April:—			
Bank of England ..	5,918,413	6,003,023	..
Bank of Ireland ..	404,112	466,633	..
	6,322,525	6,469,656	..
ORDINARY REVENUE.			
Inland Revenue—			
Property and Income Tax ..	29,888,000	39,951,000	1,950,000
Super-Tax ..	5,140,000	11,900,000	2,000,000
Estate, &c., Duties ..	22,320,000	20,500,000	1,300,000
Stamps ..	7,200,000	5,700,000	630,000
Excess Profits Duties, &c. ..	..	..	..
Corporation Profits Tax ..	210,000	630,000	..
Land Tax, House Duty and Mineral Rights Duty ..	130,000	100,000	..
Total Inland Revenue ..	8,18,000	78,671,000	4,170,000
Customs and Excise—			
Customs ..	32,998,000	33,941,000	1,829,000
Excise ..	4,940,000	42,250,000	6,630,000
Total Customs & Excise ..	73,938,000	76,197,000	8,459,000
Motor Vehicle Duties (Exchequer Share) ..	2,050,000	1,759,419	128,000
Post Office (Net Receipts) ..	230,000	1,450,000	300,000
Crown Lands ..	..	450,000	160,000
Receipts from Sundry Loans ..	8,167,863	6,750,791	..
Miscellaneous: Ordinary Receipts ..	3,123,063	3,085,466	1,015
Miscellaneous: Special Receipts ..	5,728,920	8,798,978	1,754
Total Ordinary Revenue ..	164,155,846	177,142,654	2,937,015
SELF-BALANCING REVENUE.			
Post Office ..	16,700,000	16,650,000	1,100,000
Motor Vehicle Duties apportioned to Road Fund ..	5,411,000	3,343,581	..
Total Self-Balancing Revenue ..	22,111,000	19,993,581	1,100,000
OTHER RECEIPTS.			
Temporary Advances Repaid—			
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	..	..	..
Under the Unemployment Insurance Acts, 1921 ..	714,432	2,618,000	200,000
Money Raised by Creation of Debt—			
(a) For Capital Expenditure Issues: Under the Telegraph (Money) Act, 1925 ..	2,550,000	2,500,000	..
(b) Under the Unemployment Insurance Acts, 1921 ..	1,720,000	960,000	..
(c) For other issues: By Treasury Bills ..	722,139,000	748,978,000	47,833,000
By 4% Consolidated Loan ..	..	41,316,756	..
By National Savings Certificates ..	12,550,000	10,850,000	750,000
By National War Bonds ..	10	..	..
By 5% Treasury Bonds, 1935-35 ..	58,235,113	..	..
(d) Ways and Means Advances ..	221,850,000	203,780,000	4,500,000
Repayments—			
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921 ..	43,695	43,536	..
Total ..	1,200,393,721	1,214,642,183	67,063,015

EXPENDITURE AND OTHER ISSUES.

	Total Issues out of the Exchequer to Meet Payments from April 1, 1928, to July 21, 1928.	Week Ended July 21, 1928.	Week Ended July 23, 1927.
ORDINARY EXPENDITURE.			
Interest & Management of National Debt ..	124,288,046	125,087,436	911,494
Payments to Local Taxation Accounts ..	1,399,670	1,250,000	229,455
Payments to Northern Ireland Exchequer ..	899,741	1,312,763	..
Other Consolidated Fund Services ..	723,049	1,226,682	..
Supply Services (excluding Post Office) ..	97,913,100	102,018,500	9,400,000
Total Ordinary Expenditure ..	225,203,606	230,895,381	10,540,949
Sinking Fund ..	18,176,391	11,804,294	515,000
SELF-BALANCING EXPENDITURE.			
Post Office ..	16,700,000	16,650,000	1,100,000
Road Fund ..	5,413,000	3,343,581	..
Total Self-balancing Expenditure ..	22,113,000	19,993,581	1,100,000

	Total Issues out of the Exchequer to Meet Payments from April 1, 1928, to July 21, 1928.	Week Ended July 21, 1928.	Week Ended July 23, 1927.
OTHER ISSUES.			
Temporary Advances ..	18,458	18,458	..
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	1,720,000	960,000	..
Under the Unemployment Insurance Acts, 1921 ..	2,950,000	2,900,000	..
Issues to Meet Capital Expenditure—			
Under the Telegraph (Money) Act, 1925 ..	714,432	1,554,000	200,000
Unemployment Insurance Acts, 1921—			
Repayment of Amounts Borrowed ..	661,320,000	744,565,000	44,580,000
Redemption of Debt—			
Treasury Bills ..	13,100,000	12,200,000	800,000
Principal of National Savings Certificates ..	46,786,305	..	..
Principal of National War Bonds paid off ..	3,341,000	..	3,341,000
Other Debt under the War Loan Acts, 1914 to 1919 ..	212,150,000	186,901,000	5,950,000
Ways and Means Advances Repaid ..	1,207,594,192	1,211,877,714	67,026,949
Old Sinking Fund, 1708—	1,000	..	..
Issued under Section 9 of the Finance Act, 1908 ..	2,008,046	2,028,063	76,934
Balances in Exchequer—			
Bank of England ..	791,489	736,406	113,000
Bank of Ireland ..	2,799,529	2,764,469	35,066
Total ..	1,207,594,192	1,211,877,714	67,026,949
Treasury, July 23, 1928.	1,207,594,192	1,211,877,714	67,026,949

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	Mar. 31, 1927.	Dec. 31, 1927.	Mar. 31, 1928.	July 21, 1928.
24% and 23% Consols ..	573	300	300	300	300	300	300	300	300
Other Funded Debt ..	15	14	14	14	14	14	14	14	14
Term Annuities ..	30	20	14	13	13	12	12	12	12
4% Consolidated Loan ..	..	..	..	..	166	207	204	204	204
3% Conversion Loan ..	..	..	666	709	760	852	832	832	832
4% Conversion Loan ..	..	..	63	210	211	211	221	221	221
3% War Stock ..	..	..	13	13	13	13	13	13	13
4% War Stock ..	..	..	2,047	2,166	2,052	2,109	2,154	2,253	2,253
4% and 5% War Stock ..	..	..	1,509	820	778	706	556	430	194
National War Bonds ..	..	..	409	396	394	390	389	385	385
4% Funding Loan ..	..	..	360	314	303	292	277	277	260
4% Victory Bonds ..	..	..	..	457	499	482	454	518	675
Treasury Bonds ..	..	..	20	323	150	15	15	15	15
Exchequer Bonds ..	..	..	..	267	366	369	375	370	363
National Savings Certs. ..	..	..	1,306	1,128	1,124	1,111	1,103	1,097	1,094
Other Debt ..	..	..	..	51	..	..	..	..	..
American Loan (Anglo-French) ..	..	..	15	1107	588	576	565	599	651
Treasury Bills ..	..	..	1	243	186	167	139	117	174
Temporary Advances ..	..	..	654	8,033	7,641	7,598	7,558	7,732	7,527
Other Capital Liabilities ..	..	..	57	46	66	68	75	98	101
Total Liabilities ..	711	8,079	7,707	7,666	7,633	7,653	7,832	7,628	7,706

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

	July 23, '27.	Mar. 31, '28.	July 21, '28.	Week ended July 21, '28.
Ways and Means Advances ..	£ 161,850,000	£ 171,550,000	£ 171,550,000	£ 1,450,000
Advances by Bank of England ..	603,590,000	526,940,000	587,770,000	3,010,000
Advances by Public Deptts. ..	..	..	..	..
Treasury Bills Outstanding ..	737,070,000	688,790,000	759,320,000	1,560,000
Total Floating Debt ..	1,341,410,000	1,277,540,000	1,438,640,000	6,020,000

* Includes £14,000, the proceeds of which were not carried to the Exchequer within the period of the account.

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Investments in Reserve Account.	Redemption Account.					
			Silver Coin.	Gold and Bullion.	Bank of England Notes.	Ratio to Notes.	Government Securities.	Balance at Bank of England.
1924.								
Mar. 25 ..	281,538	11,908	7,000	27,000	22,450	176	236,987	130
June 25 ..	290,316	12,472	7,000	27,000	22,450	170	246,198	140
Sept. 24 ..	285,592	12,227	7,000	27,000	22,450	173	241,185	184
Dec. 31 ..	296,261	12,812	7,000	27,000	26,950	182	248,111	132
1925.								
Mar. 25 ..	284,256	11,882	7,000	27,000	26,950	189	235,076	112
June 24 ..	292,278	12,265	7,000	..	53,950	186	243,474	119
Sept. 30 ..	293,004	12,555	7,000	..	56,250	191	242,188	121
Dec. 30 ..	296,777	12,561	7,000	..	56,250	189	245,896	192
1926.								
Mar. 31 ..	295,337	12,226	6,550	..	56,250	190	244,585	178
June 30 ..	294,036	12,567	6,550	..	56,250	191	243,667	136
Sept. 29 ..	287,858	12,295	6,300	..	56,250	195	237,467	136
Dec. 29 ..	296,461	12,467	6,300	..	56,250	189	246,248	119
1927.								
Mar. 30 ..	288,067	11,882	5,650	..	56,250	195	237,913	135
June 29 ..	298,260	12,812	5,650	..	56,250	188	249,067	105
Sept. 28 ..	294,798	12,752	5,650	..	56,250	190	245,424	226
Dec. 28 ..	299,791	12,904	5,650	..	56,250	198	250,662	133
1928.								
Mar. 28 ..	289,508	12,515	5,500	..	56,250	194	240,241	132
June 27 ..	296,030	12,404	5,400	..	56,250	190	246,606	178
July 18 ..	297,038	12,414	5,400	..	56,250	189	247,706	146
July 25 ..	295,124	12,427	5,400	..	56,250	190	245,770	131

Since July 21, 1920, notes and certificates outstanding include notes issued in but not yet cancelled, and maximum fiduciary issue for 1920 was fixed at £230,600,000, for 1921 at £317,555,000, for 1922 at £309,988,400, for 1923 at £270,183,000, for 1924 at £248,130,900, for 1925 at £248,145,400, for 1926 at £247,902,500, for 1927 at £246,011,000, and for 1928, at £244,935,100.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on July 20, 1928, and the total amount applied for was £57,335,000. For bills at 3 months, dated Monday to Friday, at £98 19s 9d, about 30 per cent., above in full; Saturday at £99 0s 0d, and above in full. The amounts allotted were in bills at 3 months, £40,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1928.	£	£	£ s d
May 18.....	40,000,000	52,130,000	4 0 285
May 25.....	40,000,000	59,535,000	3 18 972
June 1.....	40,000,000	55,445,000	3 16 761
June 8.....	35,000,000	53 050,000	3 15 145
June 15.....	35 000,000	45 955,000	3 15 211
June 22.....	35,000,000	43,275,000	3 16 492
June 29.....	40,000,000	73 000,000	3 16 696
July 6.....	40,000,000	57,650,000	4 0 255
July 13.....	40,000,000	47,975,000	4 1 3003
July 20.....	40,000,000	57,355,000	4 0 052

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Greece appeared in the *Economist* of July 7; Denmark, Roumania, and Egypt, in July 14; Switzerland, Italy, Portugal, Austria, Russia, Danzig and Japan in July 21.

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

Resources	July 26, 1928.	July 19, 1928.	July 12, 1928.	July 5, 1928.	July 29, 1927.
Total gold reserves	2,604,030	2,599,590	2,594,880	2,546,490	3,033,490
Total bills discounted	1,025,116	1,011,768	1,089,270	1,191,016	1,399,390
Bills bought in open mkt.	169,080	181,040	187,640	209,560	359,390
Total U.S. Govt. securities	207,640	203,740	217,770	219,570	385,020
Total bills and securities	1,402,330	1,402,620	1,495,170	1,620,730	1,823,800
Total resources	4,924,180	5,036,070	5,069,520	5,195,120	4,919,920
LIABILITIES					
Federal Reserve notes in actual circulation	1,606,580	1,618,860	1,640,150	1,660,130	1,661,730
Deposits—Member bank—reserve account	2,299,890	2,306,680	2,365,400	2,402,890	2,282,030
Total deposits	2,346,128	2,349,040	2,407,440	2,459,320	2,350,080
Capital paid in and surplus	376,340	376,440	376,540	374,530	376,390
Total liabilities	4,924,180	5,036,070	5,069,520	5,195,120	4,919,920
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	69.9%	69.6%	67.9%	65.4%	79.7%

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

	July 26, 1928.	July 19, 1928.	July 12, 1928.	July 5, 1928.	July 29, 1927.
Total bills discounted	310,340	304,320	449,630	436,540	320,340
Bills bought in open mkt.	28,810	30,060	33,490	48,410	32,340
Total U.S. Govt. securities	30,600	33,770	40,300	40,920	66,120
Total bills and securities	369,810	378,150	523,420	526,870	189,000
Deposits—Member bank—reserve account	889,240	894,420	929,540	936,500	902,580
Ratio of total res. to dep. and Federal Res. note liabilities combined	74.3%	73.7%	63.1%	63.5%	88.0%

STATEMENT OF CANADIAN BANKS.—In \$'s (000's omitted).

Assets	Apr. 30, 1928.	Mar. 31, 1928.	Feb. 28, 1928.	Jan. 31, 1928.	Apr. 30, 1927.
Cash and bank balances	464,559	417,551	400,894	409,917	417,647
Bank balances abroad	68,578	74,395	69,425	74,688	75,679
Call and short loans	490,789	467,852	481,650	480,291	399,919
Securities	541,382	544,109	564,975	551,983	527,614
Loans in Canada	1,290,818	1,254,498	1,203,609	1,180,237	1,112,664
Loans abroad	276,686	283,923	278,811	265,708	275,973
Other assets	194,307	184,736	180,557	177,625	167,424
LIABILITIES					
Note circulation	170,688	176,805	160,622	162,029	172,105
Deposits—Government	113,581	107,990	92,966	84,073	73,183
Public in Canada	2,190,616	2,135,531	2,106,660	2,101,488	1,970,085
Foreign	370,427	364,458	356,620	352,134	348,731
Bank balances—Canadian	19,123	15,164	12,243	12,369	15,925
Foreign	72,528	50,935	66,119	59,638	40,733
Bills payable, &c.	107,461	98,754	93,780	91,724	80,971
Capital and res.	256,331	256,331	256,331	256,331	251,114
Other liabilities	3,614	3,047	5,210	3,700	3,620

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

Assets	June 29, 1928.	June 22, 1928.	June 15, 1928.	June 8, 1928.	June 1, 1928.	July 1, 1927.
Gold coin and bullion	8,274	7,893	7,833	7,830	8,211	8,361
Subsidiary coin	73	101	99	115	134	168
Bills discounted	8,445	8,139	8,166	8,055	7,640	7,729
Investments	596	596	596	596	596	572
LIABILITIES						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	509	509	509	509	509	423
Notes in circulation	8,989	7,739	7,891	8,309	9,070	8,605
Government deposits	1,734	1,670	1,834	1,389	2,149	1,811
Bankers' deposits	5,311	5,100	5,338	4,861	5,007	5,256
Ratio of cash reserves to liabilities to public	50.4%	52.5%	51.2%	51.7%	49.2%	51.6%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

Assets	June 29, 1928.	June 22, 1928.	June 15, 1928.	June 8, 1928.	June 1, 1928.	July 1, 1927.
Total securities	25,40,25	25,47,12	25,71,25	25,71,25	25,71,25	20,39,20
Loans	11,13,36	10,73,69	10,05,80	10,05,80	10,05,80	12,48,72
Cash credits	30,60,22	30,24,00	30,64,57	30,17,15	30,46,86	29,72,73
Inland bills	6,57,23	8,84,96	9,38,64	11,44,01	11,60,44	4,79,11
Foreign bills	37,57	46,41	37,82	38,12	30,61	25,75
Dead stock	2,83,78	2,84,42	2,84,77	2,84,93	2,84,93	2,75,99
Bal. with other banks	8,34	11,94	19,70	11,77	6,81	6,75
LIABILITIES						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,12,50	5,12,50	5,12,50	5,12,50	5,12,50	5,00,00
Total deposits	80,97,17	78,65,37	76,03,75	78,35,28	78,21,52	81,48,14
The above includes—						
Deposits in Lond'n	1,00	1,029	1,031	991	953	959
Advances in Lond'n	1,063	990	994	1,005	1,009	942
Cash, &c., at other Banks in London	65	85	150	89	50	46

THE REICHSBANK.—In Reichsmarks* (000's omitted).

Assets	July 23, 1928.	July 14, 1928.	July 7, 1928.	July 23, 1927.
Reichsbank shares not yet issued	177,212	177,212	177,212	177,212
Gold and bullion	2,148,807	2,127,251	2,105,378	1,801,106
Of which deposited abroad	85,626	85,626	85,626	57,876
Reserve in foreign currencies	193,987	200,098	239,549	97,494
Bills of exchange and cheques	2,081,810	2,142,057	2,305,256	2,285,530
Silver and other coin	106,151	94,854	84,290	100,500
Notes of other German banks	28,252	20,401	16,289	25,203
Advances	34,005	43,920	27,455	25,203
Investments	93,987	91,987	93,987	92,405
Other assets	608,416	597,957	604,253	507,881
LIABILITIES				
Reduced capital (shares not yet issued)	177,212	177,212	177,212	177,212
Reserve	284,205	284,205	284,205	243,533
Notes in circulation	3,987,430	4,224,979	4,426,661	3,393,096
Other daily maturing obligations	688,290	558,355	423,769	814,092
Other liabilities	234,263	230,198	218,834	272,425

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription of one part of fine gold equals 1,392 Reichsmarks.

BANK OF FRANCE.—In francs. (000's omitted.)

Assets	July 20, 1928.	July 12, 1928.	July 6, 1928.	June 29, 1928.
Gold	29,662,178	29,403,241	29,175,976	28,990,033
Foreign assets—Sight deposits	16,569,309	16,539,734	15,920,276	15,559,114
Bills discounted	12,769,833	12,708,056	12,684,965	11,686,441
Commercial bills discounted at home	2,307,106	2,109,512	2,188,380	3,566,666
Advances against security—To the State	9,130,000	9,130,000	9,130,000	9,130,000
Other advances	1,934,459	1,941,911	1,961,855	1,837,040
Other assets (excluding forward exchange)	2,913,070	2,951,433	2,989,066	2,768,066
LIABILITIES				
Notes in circulation	59,866,280	60,161,702	60,295,093	60,628,093
Public deposits	8,237,178	7,415,051	6,609,766	6,483,385
Private deposits	5,826,099	5,903,519	5,487,773	4,924,827
Other liabilities	1,356,404	1,301,619	1,629,747	1,496,055

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).

Assets	July 18, 1928.	July 12, 1928.	July 5, 1928.	June 28, 1928.	Position May 28, 1928.
Gold	803,038	802,950	799,495	799,428	646,153
Foreign Bills and Balances Abroad	464,857	471,038	446,561	466,024	444,066
Silver & other coin	2,605	2,618	2,618	2,618	1,229
Securities	548,375	552,639	542,716	568,293	467,553
LIABILITIES					
Notes in circulation	2,130,069	2,152,910	2,138,241	2,102,013	1,898,924
Current accounts	107,689	114,627	71,075	143,885	91,288

(b) In thousand francs.

NETHERLANDS BANK.—In florins (000's omitted).

Assets	July 23, 1928.	July 16, 1928.	July 9, 1928.	July 2, 1928.	Position May 30, 1928.
Gold	434,984	434,985	435,041	435,049	387,404
Silver	23,563	23,272	23,076	23,496	28,771
Discts. and advances	351,072	357,428	359,572	390,512	419,345
LIABILITIES					
Notes in circulation	784,407	798,867	806,822	829,670	789,853
Deposits	44,941	42,695	36,222	44,669	51,535

BANK OF JAVA.—In florins (000's omitted).

Assets	July 21, 1928.	July 14, 1928.	July 7, 1928.	June 30, 1928.	Position May 30, 1928.
Gold	187,000	187,100	188,700	189,100	184,731
Silver	187,000	187,100	188,700	189,100	21,805
Discounts, advances, and other investments	147,500	144,500	139,600	137,700	151,821
LIABILITIES					
Notes in circulation	311,200	317,200	316,900	310,700	324,377
Deposits and bills payable	50,200	47,700	38,900	49,600	58,953

BANK OF NORWAY.—In kroner (000's omitted).

Assets	July 16, 1928.	July 7, 1928.	June 30, 1928.	July 15, 1927.	Position May 31, 1928.
Coin and bullion—Gold	146,997	147,005	147,010	147,231	44,224
Balance abroad and foreign bills	31,895	38,912	37,126	10,329	28,533
Norwegian and Foreign Government securities	9,323	9,323	9,340	39,237	8,816
Discounts and loans	271,496	272,170	291,378	291,344	76,911
LIABILITIES					
Notes in circulation	321,118	323,848	325,368	329,186	113,484
Deposits at sight	74,372	80,532	98,448	110,732	7,188

BANK OF SWEDEN.—In kronor (000's omitted).

Assets	July 21, 1928.	July 14, 1928.	July 7, 1928.	June 30, 1928.	July 23, 1927.
Gold	230,250	230,353	230,453	230,605	221,327
Government securities—Swedish	11,012	11,012	11,012	11,018	13,277
Foreign	62,300	58,600	60,584	60,584	60,754
Other Swedish bonds quoted on foreign bourses	804	804	804	804	1,114
Bills payable in Sweden	233,003	256,908	285,608	292,623	168,389
Balance abroad	28,893	16,740	16,775	13,171	69,004
Advances made on government securities and bonds	46,765	45,916	55,162	77,241	34,140
LIABILITIES					
Notes in circulation	459,084	479,066	493,480	539,427	449,228
Government deposits	154,426	155,368	171,312	186,230	144,259
Private deposits	10,638	24,793	22,563	4,255	9,722

* The sum of the items "Bills payable in Sweden" and "Advances made on Government Securities and Bonds" excludes advances and cash credits which are not available as cover for the note issue.

BANK OF SPAIN.—In pesetas (000's omitted).

Assets	July 21, 1928.	July 14, 1928.	July 7, 1928.	June 30, 1928.	July 23, 1927.
Gold	2,608,433	2,607,911	2,607,902	2,607,994	2,597,445
Silver	706,795	704,937	705,911	710,433	680,098
* Loans and discounts	1,998,719	2,046,023	2,075,295	1,888,059	1,931,935
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475
Advances to Treasury	150,000	150,000	150,000	150,000	150,000
LIABILITIES					
Circulation	4,261,495	4,295,154	4,316,429	4,236,150	4,141,355
Deposits	970,779	998,531	1,001,717	1,000,031	1,058,295

* Including 92 million pesetas lent to the State.

NATIONAL BANK OF THE SERBS, &c.—In dinar (000's omitted).

Assets	July 15, 1928.	July 8, 1928.	June 30, 1928.	June 22, 1928.	July 15, 1927.
Gold	19,370	10,370	10,367	10,367	10,367
Other coin and notes	24,866	27,312	27,480	27,498	27

Rates of Exchange.	Par Level.	July 27, 1927.	July 11, 1928.	July 18, 1928.	July 25, 1928.
New York on—					
London—					
60 days	Dollars for £1	4.8666	4.8125	4.8243	4.8125
Cable			4.8513	4.86375	4.8513
Cheques			4.8525	4.86	4.855
Paris—					
60 days	Cents for 1 franc	19.30	19.30	19.30	19.30
Brussels	Cents for 1 franc	19.30	19.30	19.30	19.30
Switzerland	Cents for 1 franc	19.30	19.30	19.30	19.30
Italy	Cents for 1 lire	19.30	19.30	19.30	19.30
Berlin	Cents for 1 mark	23.81	23.77	23.82	23.85
Vienna	Cts. for Austr. shlg.	14.07	14.08	14.10	14.10
Madrid	Cents for 1 peseta	19.30	17.02	16.48	16.45
Amsterdam	Cents for 1 guilder	40.195	40.045	40.235	40.225
Copenhagen			26.75	26.725	26.75
Stockholm	Cents for 1 krona	26.80	26.775	26.78	26.75
Athens	Cents for 1 drachma	19.30	1.31	1.30	1.30
Montreal	Cents for \$1	100	100.00	1.31	1.30
Yokohama	Cents for 1 yen	49.85	46.00	46.15	45.5
Hong Kong	Cents for 1 Hong Kong \$	49.85	46.00	46.15	45.5
Shanghai	Cents for 1 Sheng. tael	62.375	64.875	64.75	65.75
Calcutta	Cents for 1 rupee	36.03	36.25	36.23	36.15
Buenos Aires	One peso	103.651	104.05	104.1	104.15
Rio de Janeiro	Cents for 1 milreis	32.42	11.63	11.90	11.52
Valparaiso	Cents for 1 peso	32.168	12.125	12	12

1 Gold pesos for \$100.

MOSCOW QUOTATIONS FOR TCHERVONETZ.
According to advices received in London, the following are the Moscow quotations for tchervonetz:—

£100 sterling equals 945.89-947.79 tchervonetz.
\$100 " " 194

1 tchervonetz = 10 gold roubles. £1 sterling = 9.46 gold roubles.

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.	Union of South Africa.
	From February 6, 1928.	From February 6, 1928.
	Buying.	Selling.
T.T. Demand	1 1/2% dis.	1 1/2% dis.
30 days	1 1/2% " "	1 1/2% " "
60 days	1 1/2% " "	1 1/2% " "
90 days	1 1/2% " "	1 1/2% " "
120 days	1 1/2% " "	1 1/2% " "

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country.	Method of Quoting.	Par Value.	Usance.	Rate.
Ecuador	Sucre to £	24.3325	Sight London	24.40
Venezuela	Bolivar to £	25.25	"	25.32
Colombia (Bogota)	Peso to £	100	"	99.00
Nicaragua	Colon to £	4.8665	"	4.82
Salvador	Colon to £	9.75	"	9.90
Bolivia	Pence to Boliviano	19.20	90 days	18

OVERSEAS DOMINIONS RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.	Australia and New Zealand on London.
	Buying.	Selling.
T.T. Demand	98 1/2%	99 1/2%
30 days	97 1/2%	99 1/2%
60 days	97 1/2%	99 1/2%
90 days	96 1/2%	99 1/2%

BULLION.

The following statistics of imports and exports of gold for week ended July 25, 1928, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.	Exported from Great Britain and Northern Ireland.
From—	To—
Germany	Poland
British South Africa	Germany
Other Countries	Netherlands
	Belgium
	France
	Switzerland
	Austria
	Nigeria
	Java
	Colombia
	Gibraltar
	Bombay via other ports
	Other Countries
Total declared value of imports	Total declared value of exports

GOLD MOVEMENTS.

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follow:—

1928.	Arrivals.	Withdrawals.
July 20	bars bought 120,000	July 20—Colombia
" 21	bars bought nil	" 21—Colombia
" 23	bars bought 146,000	" 23—Colombia
" 24	bars bought nil	" 24—Colombia
" 25	bars bought nil	" 25—Colombia
" 26	bars bought nil	" 26—Colombia
Total	266,000	Total
		Net arrivals, £66,000.

Messrs Samuel Montagu and Co. write on July 25th as follows:—

GOLD.

There was a net influx of gold of £66,000 during the week under review. The following figures (in lacs of rupees) relate to India's foreign trade during June last:—Imports of merchandise, on private account, 1,855; exports, including re-exports, of merchandise, on private account, 2,828; net imports of gold, 173; net imports of silver, 20; net imports of currency notes, 3; total visible balance of trade, in favour of India, 816; net balance on remittance of funds, against India, 113.

SILVER.

The market remained for some days in a languid condition, and prices receded on the 20th inst. to 27 1/2d for cash and 27d for two months' delivery. Monday a sharp rise ensued to 27 1/2d for both deliveries owing to apprehension in Shanghai that Japan was likely to take a strong line of action as a consequence of China's decision to abrogate existing treaties. The nervousness thus engendered has continued to keep prices fairly firm, and 27 1/2d has been quoted for the last two days. India let out silver on the rise, but has been inclined to make some small purchases at the set-back. America on the whole has been steady in tone. The Continent has not been so much of a seller this week. On the 14th inst. 127 silver bars were shipped from Marseilles to Port Said per the s.s. "Macedonia." The following were the United Kingdom imports and exports of silver registered in the week ended noon on the 19th inst.:—Imports: Belgium, £179,888; France, £72,408; Mexico, £97,253; British India, £214,955; other countries, £11,019; total £475,523. Exports: Egypt, £34,550; British India, £93,998; other countries, £12,692; total, £141,240.

INDIAN CURRENCY RETURNS.

	June 30.	July 7.	July 15.
Notes in circulation	17,716	17,811	17,893
Silver coin and bullion in India ..	10,104	10,074	10,156
Silver coin and bullion out of India ..	2,976	2,976	2,976
Gold coin and bullion in India ..	4,184	4,277	4,277
Securities (Indian Government) ..	452	484	484

The stock in Shanghai on the 21st inst. consisted of about 45,100,000 ounces in sycee, 78,500,000 dollars and 7,800 silver bars, as compared with about 43,800,000 ounces in sycee, 76,700,000 dollars, and 6,380 silver bars on the 14th inst.

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce.	Date.	Silver.
	Cash.	Forward.		Cash.
1928.				
July 20	84 10 1/2	27 1/2	Aug. 4, 1922 ..	35 1/2
" 21	84 10 1/2	27 1/2	" 3, 1923 ..	30 1/2
" 23	84 10 1/2	27 1/2	July 31, 1924 ..	34 1/2
" 24	84 10 1/2	27 1/2	30, 1925 ..	32 1/2
" 25	84 10 1/2	27 1/2	29, 1926 ..	29 1/2
" 26	84 11 1/2	27 1/2	28, 1927 ..	52 1/2

NOTICES.

The Midland Bank announces the opening of new branches as follows:—384 Garratt lane, Wandsworth, London, S.W. 18, to be known as the Earlsfield branch (manager, Mr Arthur G. Lane); 17 Derby street, Leek, Staffordshire (manager, Mr C. N. Scott); 24 Broadway, Leigh-on-Sea, Essex (manager, Mr C. C. Tune).

The National Provincial Bank, Limited, announce that an office of the bank is now open at 19 Vine place, Sunderland, under the management of Mr J. W. Hughes (manager of the Sunderland branch).

Lloyds Bank Limited announce that sub-branches of the bank are now open at North Farnborough, under the supervision of Mr N. K. Ladd (manager of the Farnborough branch), the hours of business being 10 till 3, Saturdays 9 till 12, and at 1 The Village, Charlton, under the supervision of Mr C. H. Rollston (manager of the Blackheath branch). Lloyds Bank Limited will open a branch at Lahore (India) on August 1st. Every description of banking and exchange business will be conducted, including the collection and negotiation of bills.

Sir John Grice and Mr J. Newman Barker have been re-elected chairman and vice-chairman respectively of the board of directors of the National Bank of Australasia, Limited, for the ensuing year.

Branches of the Bank of Adelaide have been opened at Tadunda and Saddleworth, South Australia.

The Commercial Bank of Australia, Limited, announces that branches of the bank have been opened at Mundubera (Queensland), Canowindra (N.S.W.), and Torrensfield (South Australia).

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

	Week ended July 22, 1928.	Week ended July 21, 1928.	Aggregate 29 Weeks, 1928.
	(000's omitted.)	(000's omitted.)	(000's omitted.)
Miles Open.			
Passenger.			
Freight.			
Mail.			
Goods.			
Coal.			
Other.			
Total.			
Great Western	3,779	3,779	3,779
Do for 1927	3,779	3,779	3,779
London & North-Eastern	6,406	6,406	6,406
Do for 1927	6,406	6,406	6,406
London, Mid. & South	6,951	6,951	6,951
Do for 1927	6,951	6,951	6,951
Southern	2,177	2,177	2,177
Do for 1927	2,177	2,177	2,177
Metropolitan	59	59	59
Do for 1927	59	59	59
London & South-East	58	58	58
Do for 1927	58	58	58
London & South-West	58	58	58
Do for 1927	58	58	58
Great Northern	80	80	80
Do for 1927	80	80	80
Great Southern	2,187	2,187	2,187
Do for 1927	2,187	2,187	2,187

† Includes receipts from independent omnibuses acquired during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1928.	1928.
				+ or -	+ or -
INDIAN.					
Assam Bengal	12 weeks	June 23	1,111	4,02,000	5,574
Barsi L. Ry.	13 weeks	June 30	118	1,57,000	1,32,700
Bengal & N. Western	13 weeks	June 30	2,073	5,83,312	88,931
Bengal-Nagpur	11 weeks	July 16	2,949	15,97,000	74,352
Bombay, Bar., & C.I.	14 weeks	June 23	1,349	18,18,000	2,64,000
Burma	13 weeks	June 23	1,349	1,41,742	57,418
Madras & S. Mahr.	13 weeks	June 30	3,072	17,70,000	1,02,694
Nizam's Guaranteed	13 weeks	June 30	1,011	3,14,435	38,600
Robt. & K. Ry.	13 weeks	June 30	1,011	1,13,139	24,158
South Indian	12 weeks	June 23	2,083	12,52,340	39,459
				1,51,51,096	5,00,313
† Including Lucknow-Bareilly State Railway. (s) Total receipts of all lines.					
ARGENTINE (a).					
Argentine N.E.	3 weeks	July 21	753	15,400	1,500
B.A. and Pacific	3 weeks	July 21	1,694	165,000	25,000
B.A. Central	3 weeks	July 21	1,694	165,000	25,000
B.A. G. Southern	3 weeks	July 21	1,694	165,000	25,000
B.A. Western	3 weeks	July 21	1,694	165,000	25,000
Central Argentine	3 weeks	July 21	1,694	165,000	25,000
Cordoba Central	3 weeks	July 21	1,694	165,000	25,000
Entre Rios	3 weeks	July 21	1,694	165,000	25,000
CUBAN.					
United of Havana	3 weeks	July 21	1,377	49,822	350
				144,943	27,754
† Figures include Havana Central Railway.					
URUGUAYAN.					
Central Uruguay	3 weeks	July 21	273	28,091	1,907
C. Urug. (East. Ext.)	3 weeks	July 21	273	28,091	1,907
C. Urug. (West. Ext.)	3 weeks	July 21	273	28,091	1,907
CANADIAN.					
Canadian National	23 weeks	July 14	19,142	5,240,498	593,929
Canadian Pacific	26 weeks	July 14	14,670	4,015,000	394,000
				10,885,300	9,846,000
BRAZILIAN (b).					
St. West. of Brazil	23 weeks	July 21	1,018	8,800	200
Leopoldina	23 weeks	July 21	1,018	8,800	200
Leopoldina Terminal	23 weeks	July 21	1,018	8,800	200
San Paulo	23 weeks	July 21	1,018	8,800	200
CHILEAN.					
Antofagasta (Chili)	29 weeks	July 22	838	31,300	7,160
Nitrato (4-monthly)	28 weeks	July 22	15	27,515	7,319
				980,490	97,475
				434,469	100,531
OTHER OVERSEAS.					
Alcoy and Gandia	29 weeks	July 21	33	29,000	826,200
Egyptian Delta	11 weeks	June 30	603	17,022	63,042
St. Paulin. of Spain	14 weeks	July 14	104	1,243,937	3,556,778
Mexican Railway	51 weeks	June 30	432	2,231,500	675,900
Paraguay Central	3 weeks	July 21	274	25,010	210
Salvador	3 weeks	July 21	103	83,638	239

† Figures include Havana Central Railway.

† Including Lucknow-Bareilly State Railway. (s) Total receipts of all lines.

† Figures include Havana Central Railway.

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RUBBER OUTPUTS.

In the table below we give the outputs for last five complete years, and monthly outputs for last six months separately of a number of Rubber Companies, while the latest reports of Rubber Companies are analysed under our Summary of Profit and Loss Accounts each week. The latest dividends declared appear under Dividend Announcements, and the Rubber Share Market is dealt with in our Stock Market section. Particulars as to the Market Price of the Commodity and other information will be found in our Produce Market Section.

Name. Year ends December 31. Except where Stated.	Outputs.					Outputs.										
	Year 1923.	Year 1924.	Year 1925.	Year 1926.	Year 1927.	Jan. 1928.	Feb. 1928.	Mar. 1928.	April, 1928.	May, 1928.	June, 1928.					
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.					
Allied Sumatra	251,099	336,062	440,106	3,551,684	3,472,105	327,544	252,086	102,769	225,535	310,776	297,167					
Amey (Sept. 30)	3,202,500	3,650,368	5,997,657	8,227,728	9,112,151	603,200	569,000	511,180	698,100	752,500	789,000					
Anglo-Dutch	2,136,393	2,113,900	2,138,400	3,492,635	3,251,148	257,600	257,200	580,400	659,200	856,600	601,400					
Anglo-Java	261,201	237,400	312,000	312,000	346,000	19,000	13,000	16,000	21,000	35,000	125,741					
Anglo-Johore	907,735	952,519	1,243,013	1,331,087	1,335,396	128,461	63,511	10,500	22,500	105,674	83,000					
Anglo-Malay	656,026	446,872	833,103	1,064,674	935,000	54,000	50,000	52,000	9,000	70,500	88,229					
Ayer Kuning	454,132	495,187	747,380	864,604	895,606	22,072	66,800	67,844	70,930	148,370	144,410					
Badek	1,202,380	1,017,187	1,296,570	1,977,468	1,432,905	169,506	100,900	70,498	37,310	54,000	73,500					
Bah Liss (Oct. 31)	404,210	485,000	581,000	657,000	695,000	57,000	48,000	Nil	22,000	54,000	73,500					
Bandar Sumatra (July 31)	461,206	326,139	358,021	565,863	411,354	31,000	27,100	14,700	88,500	62,700	73,500					
Batang (April 30)	354,723	308,352	484,495	816,507	583,730	..	..	..	..	..	..					
Batang Cons.	623,450	745,600	904,850	1,315,000	1,389,426	..	..	..	..	..	..					
Batu Tiga	400,603	306,535	407,748	713,362	716,779	..	..	..	..	..	..					
Bekoh (June 30)	1,528,745	1,217,921	1,314,941	2,053,556	2,368,026	133,529	63,375	..	113,566	199,914	..					
Bertam Cons. (March 31)	426,852	480,000	445,524	592,221	737,570	40,000	41,000	47,000	55,000	57,000	..					
Besokai	285,800	336,683	310,663	435,848	629,579	55,700	39,200	12,100	13,800	48,000	73,300					
Bikam	451,141	467,991	522,601	716,135	645,000	46,000	44,600	31,600	33,400	50,400	58,200					
Bradwall	688,806	635,422	633,305	1,094,461	1,236,500	43,000	39,000	40,400	51,500	114,000	117,500					
Brooklands	164,636	364,811	273,046	513,152	466,368	25,000	24,000	14,000	10,000	32,000	34,000					
Brooms (June 30)	645,536	623,925	614,816	842,994	1,037,618	57,585	46,638	47,084	49,742	58,994	64,047					
Bukit Kajang (June 30)	784,210	841,641	1,024,850	1,722,493	1,631,131	163,131	..	78,858	100,346	134,078	82,793					
Bukit Meriam (Mar. 31)	308,917	310,069	566,578	628,686	608,281	37,344	..	31,166	41,867	70,994	..					
Bukit Mering (Mar. 31)	1,123,433	1,107,189	1,107,189	920,143	1,228,593	127,473	133,745	46,200	50,163	55,274	..					
Bukit Sembawang	663,723	657,852	668,095	1,044,164	1,105,411	51,514	46,300	46,200	48,000	50,163	..					
Castlefield (June 30)	..	..	..	1,013,053	1,013,477	98,330	40,883	67,022	103,659	..	..					
Chembong (Mar. 31)	398,886	355,793	563,668	697,929	915,870	40,700	36,300	31,100	34,550	74,349	..					
Chersonese	428,345	443,707	612,868	697,929	615,055	45,000	30,600	27,700	53,400	61,300	..					
Cherok	600,000	552,000	817,000	1,117,800	809,000	52,300	42,250	10,400	49,400	88,500	95,300					
Consolidated Malay	722,500	632,727	881,718	1,092,711	727,900	42,250	30,091	19,005	16,764	35,830	52,736					
Dennistown	349,787	317,242	317,131	382,998	580,857	42,258	87,000	86,000	70,800	113,500	..					
F. M. S. Planters	770,000	665,000	1,121,451	1,870,000	1,531,600	48,750	87,000	86,000	70,800	113,500	..					
Gadiah (Apr. 30)	209,562	316,622	444,171	446,952	446,952	41,500	37,000	36,000	41,500	50,500	..					
General Ceylon	858,746	920,747	1,049,394	1,421,603	1,130,499	104,000	6,000	9,372	93,486	126,411	..					
Glen Bervie (Sep. 30)	207,537	260,153	612,812	665,092	67,000	63,400	15,500	Nil	58,500	..	..					
Glenshiel	305,303	330,957	422,523	615,673	427,151	22,920	29,260	37,790	68,000	..	..					
Golden Hope	279,875	301,529	365,109	555,505	360,202	30,123	25,863	18,831	16,070	37,227	..					
Heaven	720,844	533,902	771,614	1,039,713	746,681	64,800	27,400	1,700	60,800	76,000	..					
Highlands and Lowlands	1,123,717	965,100	1,335,500	1,775,878	1,624,744	94,100	90,900	91,000	86,800	132,700	186,100					
Inch Kenneth (May 31)	343,537	291,166	248,994	373,529	442,247	33,843	28,140	25,860	23,080	32,650	33,620					
Insulinde (June 30)	300,092	350,478	289,802	453,662	534,572	55,376	42,813	26,808	40,101	47,850	50,070					
Java Amalgamated	934,832	878,896	1,094,684	1,256,875	1,409,368	88,100	76,100	84,600	89,200	118,900	..					
Java Rubber Plantations	426,800	457,847	580,005	655,630	651,569	41,400	40,700	38,700	47,800	64,900	..					
Java United	425,533	547,579	783,882	670,666	43,600	41,000	41,000	45,000	49,000	..	..					
Karam (March 31)	272,149	357,378	569,132	905,000	669,657	51,155	45,039	45,968	38,702	50,639	..					
L. M. S. (June 30)	387,660	400,624	649,628	731,400	734,489	46,500	33,700	16,800	44,200	67,200	..					
Lali Gajah (March 31)	353,419	303,195	609,700	788,715	576,775	45,000	40,200	39,300	51,000	61,600	60,300					
Lempung Kuantan	388,000	381,449	612,000	788,715	528,396	49,000	42,000	41,000	49,000	65,000	74,000					
Lempung (June 30)	764,452	507,392	560,295	994,119	1,163,546	62,900	55,000	46,200	58,200	111,800	117,800					
Lisla (June) (March 31)	468,100	631,500	582,800	582,713	803,500	45,800	28,000	32,200	54,300	102,100	..					
Lisla (June) (March 31)	390,592	359,189	467,867	650,781	803,500	45,200	32,200	54,300	102,100	102,100	..					
Lisla (June) (March 31)	542,542	530,052	430,480	1,206,033	..	48,168	33,650	..	29,059	58,282	64,689					
Lisla (June) (March 31)	572,403	506,172	698,773	936,273	..	..	..	..	..	..	..					
Lisla (June) (March 31)	762,865	639,934	993,925	1,325,000	930,000	56,250	46,680	10,249	79,220	81,850	..					
Lisla (June) (March 31)	1,098,150	1,020,081	1,219,512	1,377,695	1,241,638	70,800	68,000	57,000	52,000	105,500	..					
Lisla (June) (March 31)	712,289	510,835	646,665	827,044	866,586	59,075	73,173	75,921	92,823	87,509	..					
Lisla (June) (March 31)	496,000	446,000	474,000	548,500	558,000	50,000	41,000	9,700	45,000	46,000	..					
Lisla (June) (March 31)	475,452	480,511	711,402	804,309	500,481	39,870	38,510	14,270	36,133	..	..					
Lisla (June) (March 31)	2,235,315	1,455,507	2,656,116	3,290,333	2,681,465	194,100	182,500	128,700	259,700	286,600	..					
Lisla (June) (March 31)	2,327,718	2,113,097	2,698,971	4,015,951	2,802,490	224,654	196,653	187,271	191,544	260,580	268,160					
Lisla (June) (March 31)	1,011,557	774,879	929,085	1,726,000	1,272,356	75,700	74,000	71,700	52,900	94,130	110,000					
Lisla (June) (March 31)	3,249,628	3,355,940	2,795,821	4,878,015	3,579,150	359,700	264,600	214,200	277,000	438,100	453,400					
Lisla (June) (March 31)	2,276,832	2,593,949	2,876,181	4,878,015	3,579,150	359,700	264,600	214,200	277,000	438,100	453,400					
Lisla (June) (March 31)	1,294,011	1,444,756	1,704,370	2,316,587	1,411,347	257,943	..	219,031	463,113	467,031	255,610					
Lisla (June) (March 31)	2,292,791	2,090,752	2,030,096	2,212,621	2,222,967	175,289	123,055	60,778	148,958	187,653	201,610					
Lisla (June) (March 31)	636,694	504,219	645,252	889,214	669,362	223,985	198,600	72,640	213,089	255,400	..					
Lisla (June) (March 31)	495,710	462,917	641,460	757,948	654,119	45,000	43,000	48,000	50,600	69,500	..					
Lisla (June) (March 31)	524,505	547,831	451,200	585,110	317,516	31,100	19,600	..	34,910	47,170	..					
Lisla (June) (March 31)	514,645	563,014	903,915	1,466,248	889,855	84,198	58,283	18,273	10,240	134,495	134,495					
Lisla (June) (March 31)	687,152	612,308	1,051,900	1,281,223	..	65,100	64,300	..	56,900	104,000	110,400					
Lisla (June) (March 31)	154,334	146,028	273,127	243,156	..	21,629	..	..	7,587	20,931	..					
Lisla (June) (March 31)	560,073	575,459	602,998	613,307	634,256	43,500	..	..	71,000	85,000	..					
Lisla (June) (March 31)	682,713	751,850	751,850	890,438	1,135,585	85,500	..	..	89,700	143,960	71,460					
Lisla (June) (March 31)	1,522,273	1,530,800	2,327,463	1,811,790	1,811,790	113,992	123,948	140,149	133,283	171,778	202,490					
Lisla (June) (March 31)</																

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Pay- ment of Deben- ture Interest.	Amount Avail- able for Distri- bution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.
					Prefce.	Ordinary.					
					Amount.	Amount.	Rate.				
Breweries.											
Threlfall's	June 30	383,386	342,149	725,535	26,515	272,920	20	..	426,100	330,777	20
William Hancock and Co.	May 31	11,471	29,562	41,033	20,700	10,000	5	..	10,333	20,153	7
Financial, Land, &c.											
Argentine Northern Land	Dec. 31	59,868	20,099	79,967	..	..	..	70,000	9,967	17,461	..
City of Aberdeen Land	June 30	1,136	7,626	8,762	..	7,000	12½	500	1,262	4,662	12½
Hotels, Restaurants, &c.											
Curzon Hotel (London)	Dec. 31	8,454	1,795	10,249	..	..	..	..	10,249	..	..
Iron, Coal, and Steel.											
W. H. Dorman and Co.	Mar. 31	Dr 69,664	10,281	Dr 59,383	..	..	..	..	Dr 59,383	Dr 7,193	..
Rubber, &c.											
Brazil Plantations	Dec. 31	Dr 17,746	Dr 7,095	Dr 24,841	..	..	..	..	Dr 24,841	..	..
Jeram	Mar. 31	6,496	16,231	22,727	..	..	..	3,079	19,648	31,078	22½
Kuala Pergai	Feb. 29	5,137	5,167	10,304	..	..	..	4,000	6,304	5,016	nil
Malayan Rubber Loan & Agency	June 30	1,400	2,620	4,020	..	..	..	..	4,020	10,438	8
Malayalam Plantations	Mar. 31	54,511	268,752	323,263	..	178,033	15	54,000	91,230	319,492	20
Sarawak	Mar. 31	8,235	37,783	46,018	..	14,400	15	18,400	13,218	45,425	40
Semenyih	April 30	9,218	5,589	14,807	..	3,545	7½	..	11,262	17,456	30
Sempah	Mar. 31	896	8,033	8,929	..	..	..	4,097	4,832	12,180	10
Sumatra Consolidated	April 30	1,151	14,461	15,612	..	12,500	10	..	3,112	21,584	17½
Sumatra Proprietary	April 30	2,319	3,381	5,700	..	..	..	..	5,700	11,082	10
Tebing	Dec. 31	4,502	10,989	15,491	..	..	..	..	15,491	12,529	14
Vallambrosa	Mar. 31	15,725	16,999	32,724	..	15,180	37½	..	17,544	46,982	112½
Shipping.											
Seed Shipping	April 5	2,785	1,072	3,857	105	..	..	..	3,752	..	..
Tea.											
Bowlana Estates	Mar. 31	616	5,936	6,552	..	5,250	12½	600	702	6,121	12½
Textiles.											
British Thread Mills	Feb. 14	23,343	9,381	32,724	..	6,154	(A 2½) (B 50)	..	26,570	5,153	(A 2½) (B nil)
Trusts.											
British Steamship Investment ..	June 30	273,061	179,518	452,579	14,400	158,400	11	..	279,779	161,017	11
Draper Trust	May 31	75,991	304,754	380,745	153,600	96,000	8	..	131,145	246,983	8
Hampstead Garden Suburb Trust ..	Mar. 31	1,357	1,561	2,918	..	..	..	1,500	1,418	1,364	..
Oak Investment Corporation	May 31	..	135,330	135,330	..	52,500	7	67,808	15,022	..	..
Second Scottish Western Invest. ..	July 1	26,286	58,673	84,959	20,400	24,960	9	25,000	14,599	49,561	8
South British Investment	June 30	419	4,399	4,818	..	3,803	7½	..	1,015	2,320	3½
Other Companies.											
Associated Piano Co.	Mar. 31	..	33,452	33,452	..	4,103	10	20,653	8,786	..	..
J. W. Benson	Mar. 31	127,644	47,722	175,366	16,667	20,834	12½	..	137,865	50,631	12½
Manchester Dock and Warehouse ..	June 24	1,464	34,398	35,862	17,789	14,375	5½	1,906	1,792	34,375	5½
Extension											
Manchester Ship Canal Ware- housing	June 24	1,835	10,848	12,683	5,100	4,800	6	705	2,078	10,837	6
National Smelting Co.	Dec. 31	48,582	176,092	224,674	65,000	100,000	10	..	59,674	280,212	10
North Glamorgan Wagon	Mar. 31	197	2,446	2,643	..	1,000	10	400	1,243	1,894	6
Parkinson and W. and B. Cowan ..	Mar. 31	26,627	80,362	106,989	21,864	40,449	10	17,500	27,176	77,717	10
S. Hoffnung and Co.	Mar. 31	50,367	100,675	151,042	33,750	45,000	25	21,000	51,292	111,285	20
W. H. Chaplin and Co.	Mar. 31	5,621	28,461	34,082	5,000	17,500	7	5,000	6,582	26,052	7
Welsbach Light	Mar. 31	4,323	2,072	6,395	..	6,448	2½	Dr 323	270	6,620	5

fer to reserve fund, £40,000; and dividends at the rate of 8 per cent. per annum, £176,640; which payments, after allowing for £26,663 brought forward from last year, leave £26,764 to be carried forward.

BANCO DE LA REPUBLICA (BOGOTA, COLOMBIA).—At April 30, 1928:—

LIABILITIES.	£	ASSETS.	£
Bank notes issued, outstanding	46,148,477	Cash	56,906,032
Deposits	9,307,483	Loans and discounts to member banks	7,619,878
Outstanding Treasury notes	33,685	Discounts to National Govt.	1,000,000
Bondaries	496,473	Government securities	870,133
Paid-up capital	10,486,400	Sundries	534,956
Reserves	1,232,170	Premises	1,268,118
Undivided profits	494,424		
Total	68,199,117	Total	68,199,117

All figures in Colombian gold pesos. One Colombian gold peso (\$) = 1.5976 grammes, 0.91666 fine. Legal gold reserve, as per Enabling Act, 60 per cent. Actual legal gold reserve, 63.22 per cent. Actual total reserve, 102.02 per cent.

BANCITALY CORPORATION OF NEW YORK.—Exclusive of profits derived from recent transactions, involving the Bank of America, the Bowery and East River National Bank, and the Commercial Exchange National Bank, and after allocation of \$13,000,000 (£2,600,000) to reserves, net earnings for the six months, January 20-July 19, 1928, amounted to \$35,233,552 (£7,046,710). In the corporation's statement, total resources are shown to have increased by more than \$5,000,000 (£1,000,000), and there is an increase in capital account of \$29,000,000 (£5,800,000). Securities account is carried on the books at \$254,972,867 (£50,994,573)—a figure less than cost or present market price. The statement shows that during the half-year the Bancitaly Corporation paid \$28,000,000 (£5,600,000) cash to the capital account of the Bank of America, in addition to the stock of other New York banks,

which it turned in, when the recent merger with the Bowery and East River National Bank and Commercial Exchange National Bank was effected. All bills payable—amounting to \$32,000,000 (£6,400,000)—were liquidated at the time of the January 20th report. In the early part of this year new offices were established in New York, Chicago and London, and more recently in Cleveland, Pittsburgh and Baltimore.

CHASE NATIONAL BANK OF NEW YORK.—The condensed statement of accounts of the Chase National Bank, of New York, as on June 30, 1928, reveals an increase in business during the last half-year. Total resources are shown to have risen since December 31, 1927, from \$1,001,292,727 to \$1,103,742,061. Deposits during the same period increased from \$792,339,491 to \$843,744,666, an increase in the six months of \$51,405,175. The increase in deposits is reflected in an increase in the amount of loans and discounts, which stood on June 30 at \$602,728,431, as compared with \$582,289,180 on December 31st. Liabilities on acceptances total \$69,674,191, and on "acceptances, bills, &c., sold with endorsement" total \$35,205,503, as compared with corresponding figures on December 31st of \$43,720,469 and \$26,389,192 respectively. Paid-up capital and surplus are shown at \$50,000,000, and \$40,000,000 respectively, figures which have remained unchanged since December 31st. Undivided profits have increased from \$15,674,848 to \$17,472,702. Combined total of capital, surplus and undivided profits now amount to \$107,472,702. It was recently announced that the Chase National Bank proposed shortly to increase its capital by \$40,000,000 to cope with expansion of business, and on June 4th the proposal was approved at a meeting of shareholders.

COMMERCIAL BANK OF AUSTRALIA, LIMITED.—The net profit for the year ending June 30, 1928, were £355,019 (as against £341,710 for the previous year), from which it is proposed to

make the following appropriations:—Reduction of bank premises, £30,000; dividend on ordinary shares at 15 per cent. per annum; dividend on preference shares at 4 per cent. per annum; to reserve fund, £45,662; carried forward to next year, £90,485; £254,337, being premium received on new shares, has also been transferred to reserve fund, making the total amount of same £1,600,000.

NATIONAL CITY BANK OF NEW YORK.—The condensed statement of condition of the National City Bank of New York as at June 30, 1928, shows:—Deposits amounting to \$1,168,517,265. Surplus and undivided profits \$73,968,263, and total resources \$1,623,714,808.

QUEENSLAND NATIONAL BANK, LIMITED.—The net profits for the year ended June 30, 1928, amount to £201,959, to which is to be added £13,851 brought forward from last year, making a total of £215,810. Interim dividends at the rate of 10 per cent. per annum were paid for the quarters ended September 30, 1927, December 31, 1927, and March 31, 1928, and a transfer has been made to the reserve fund of £35,000. It is proposed to pay a dividend for the quarter ended June 30, 1928, at the rate of 10 per cent. per annum, leaving a balance of £8,671 to be carried forward. The dividends are paid free of Queensland income tax and without deduction in respect of Federal income tax of 1s in the £, which is borne by the bank. The share transfer books will be closed from August 2nd to 15th, inclusive.

YORKSHIRE PENNY BANK, LIMITED.—The statement for the year ending June 30, 1928, shows that the amount due to depositors at June 30, 1928, amounted to £28,174,620, an increase of £640,546 over the figure on June 30, 1927. At June 30, 1928, the bank held amongst its assets:—Cash, &c., £7,318,584; Treasury bills, £575,000; British Government bonds due February, 1929, £217,350; short-dated British Government bonds and loans, £16,516,158; total, £24,627,092. The percentage of cash, Treasury bills, and short-dated Government bonds and loans to the deposits is over 87 per cent. The remaining assets at June 30, 1928, include Bank of England stock, Colonial Government and English Corporation stocks totalling £766,373, loans on security and other accounts £3,735,000, and bank premises £546,154. All the securities are valued at or below market price. There are 3,624 branches of the bank. The numerous facilities provided for the bank's customers have been more utilised during the past year than hitherto. For example, no less than 240,000 automatic recording safes are now in the homes of customers, acting as a daily reminder and incentive to save. The bank's executor and trustee department is growing as, in addition to other advantages, the difficulty of selecting persons willing to serve as executor or trustee is overcome by appointing the bank to act in that capacity.

MISCELLANEOUS.

APEX (TRINIDAD) OILFIELDS, LIMITED.—We are informed that, with a view to the replacement of profits which have been expended in the purchase of additional properties and other capital expenditure, the directors have decided to issue the 80,000 shares of the company at present held in reserve. Offers to subscribe, without commission or remuneration of any kind, for the whole of such shares at £1 5s per share (ex dividend No. 16, payable on 16th inst.), have been received from the Anglo-French Exploration Company, Limited, and the British-Borneo Petroleum Syndicate, Limited, and have been accepted. These offers are subject to such shares being first offered on the same terms to the shareholders *pro rata* with their holdings, i.e., in the proportion of one new share for each 24 shares at present held, and the formal offer to the shareholders, together with application forms, will be posted on August 7th. The transfer books will be closed from July 31 to August 3, 1928, both days inclusive, for the purpose of this issue to members on register July 31, 1928.

BRITISH STEAMSHIP INVESTMENT TRUST, LIMITED.—The report to June 30, 1928, shows that a further 5 per cent. redeemable debenture stock for £948,673 has been issued during the year, making a total of £1,720,718, leaving £179,282 to be issued to complete the authorised amount of £1,900,000. The balance of profit on investments realised during year amounted to £37,627. Of this amount, £34,365 has been used in writing off the discount and cost of debentures issued and the balance, £3,262, has been applied to writing down the book cost of investments. The income of year amounts to £244,687, to which has to be added the balance brought forward £273,060, making £517,747. After deducting debenture interest, &c., a balance remains of £452,579; preferred stock, at 6 per cent., absorbed £14,400; deferred stock, at 11 per cent. for year, absorbed £158,400. Carry forward, £279,779.

CHESHIRE UNITED SALT.—In a circular to the shareholders the directors state that they invite note-holders to tender to the company for the sale of their notes at a price less than the rate fixed or redemption on December 31st next, namely 105 per cent.

NORTH AMERICAN COMPANY.—The consolidated earning figures for the North American Company show for year ended June 30,

1928, after deducting all operating and maintenance expenses, total net income amounting to \$63,648,453, an increase over last year's figure of \$6,901,075. Profits available for distribution on the common stock, after allowing for all reserves, including \$13,050,549 for depreciation, and payment of \$1,820,017 for preferred dividends, amounted to \$19,908,214; or an increase over last year's distributable surplus of \$4,225,651. Owing to the company's policy of distributing all dividends on the common stock in the form of new common stock, profits are automatically reinvested in the business. Forty-odd subsidiaries are now controlled, operating over four great sections of the United States—St. Louis, Cleveland, Milwaukee, and California. Gross income during the year ending June 30, 1928, amounted to \$128,136,506, compared with \$119,638,391 a year ago. In the first six months of this year the total electrical output of the company was 346,000,000 kilowatts, or 13.9 per cent. greater than for the same period last year.

OAK INVESTMENT CORPORATION, LIMITED.—The first report which covers a period of approximately 14 months to May 31, 1928, shows that the net profit, after charging all expenses and income-tax deducted from dividends received, amounts to £135,329. The directors recommend writing off preliminary expenses £36,807, setting aside £11,000 to income-tax reserve, transferring £20,000 to reserve account and the payment of a dividend of 7 per cent., which will leave £15,022 to be carried forward. The report states that the market value of the quoted investments standing in the balance-sheet at £741,133 was on May 31st £761,197. The balance-sheet shows:—Cash at £118,550; investments, quoted, £741,133; investments, unquoted, £37,739; loans and interest, £13,168; debtors, £35,839; preliminary expenses, £36,807; capital issued, £750,000; creditors, £23,589; loans and interest, £74,318. Meeting, July 30th, at 12.30 p.m., at Winchester House, E.C.2.

THOMAS DE LA RUE AND CO., LIMITED.—The net profit for the year ended March 31, 1928, was £18,766. This compares with a profit of £8,110 for preceding year, and a loss of £19,065 in the period of ten months ended April 3, 1926. It is pointed out that the profit in the past year would have been greater by £6,300 but for the necessity of special writing down of stocks on the closing of the Camden Town factory and the concentration of all printing and stationery work, including the manufacture of playing cards, at Bunhill row. As a result of the concentration, considerable savings are being effected, and the directors confidently anticipate that results in the current period will be substantially better. Total assets stand at £964,059. Cash stands at £42,599. Debtors are at £84,125. Creditors stand at £85,402.

OIL OUTPUTS.

BRITISH CONTROLLED OILFIELDS, LIMITED.—Output for week ending July 18, 1928:—Buchivacoa: Production, 30,485 barrels; shipments, 34,812 barrels. Trinidad: Production, 6,967 barrels.

UNITED BRITISH OILFIELDS OF TRINIDAD, LIMITED.—Production for the week ending Wednesday, July 18, 1928, amounted to 1,693 tons. Crude oil received from other producers during the three months April/June, approximately 17,200 tons.

MEXICAN EAGLE OIL.—The production for the week ended July 14, 1928, was 114,000 barrels.

ATTOCK OIL COMPANY, LIMITED.—We are informed that a well has been drilled into the 3,300 foot sand, giving satisfactory initial production.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday Evening.

All cereal crops are rapidly approaching maturity under ideal climatic conditions, and there is every prospect of a better yield than previously expected. Supplies of native wheat are in small compass, and prices largely nominal, the small remaining lots being held above the parity of imported descriptions, which continue to offer freely at declining prices. In the floating and forward cargo section the tone was depressed by large offerings of Canadian grades, and values were again on a lower basis, while also influenced by increased estimates of the Canadian and United States spring crops. Buyers naturally adopted an attitude of reserve, and confined purchases to immediate requirements. Active chartering continues for new season's wheat from Australia, with inquiries circulating from the River Plate and North Pacific. Steamer of West Australian August 10th loading sold to India at 49s 3d and white Pacific, October-November, 47s. Of feeding stuffs, La Plata maize continued firm for afloat and early loading,

but forward positions quiet. A steamer of La Plata on passage sold at 41s 6d per 480 lbs c.i.f. Wheat easier. No. 2 Northern Manitoba ex-ship 49s 6d, No. 3 ditto 46s, No. 4 Vancouver 45s, Atlantic 44s, No. 5 Atlantic 41s 6d, Vancouver 42s, No. 6 ditto 39s 6d, Rosafe 63 lbs ex-ship to arrive 48s 6d, Barusso 63 lbs 48s 6d, Baril 62½ lbs 48s 3d, Australian 50s ex-ship per 496 lbs. English nominal. Flour dull. London standard grade 39s, town whites 40s, patents 41s to 42s per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 36s to 38s 6d, Minneapolis 36s to 39s, Australian 36s to 37s ex-store per 280 lbs. Maize quiet, and distant positions easier. Plate landed 46s 9d, ditto ex-ship to arrive 44s 3d, June-July 39s 6d, July-August 37s 6d, August-September 37s 6d ex-ship per 480 lbs. Yellow maize meal £11 15s ex-wharf, white African ex-ship to arrive £9 7s 6d, yellow £9 10s per ton. Barley inactive and weak. Californian ex-store 47s to 65s, Chilian Chevalier 60s to 65s, Australian 54s to 60s, Slovakian 63s to 72s per 448 lbs. Algerian landed 38s, Egyptian 37s 9d, Persian 37s, Marmora 37s to 38s, Hama 37s 6d ex-store, No. 3 Canadian Western ex-ship 37s per 400 lbs. English malting nominal, feed 10s to 10s 10d per 112 lbs. Oats slow. La Plata landed 29s 9d, ditto ex-ship 28s 9d, black Plate ex-ship 27s, ditto landed 28s, No. 2 Canadian Western ex-ship 31s, landed 32s, No. 3 ditto ex-ship 29s 6d, landed 31s, No. 2 Canadian feed ex-ship 25s 6d, landed 30s, Chilian tawny landed 31s, ex-ship 29s, ditto white 35s 3d ex-ship, 36s 6d landed, German 35s 6d landed per 320 lbs. English black and grey 11s 8d to 12s 8d, white 12s to 12s 8d per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1927-28, 1926-27, 1925-26, 1924-25 :-

	1927-1928.	1926-1927.	1925-1926.	1924-1925.
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to July 21.....	82,311	53,750	10,931	133,894
47 weeks to July 21.....	10,810,795	11,620,593	12,832,221	11,003,611
Average price of English wheat per cwt.	s d 11 0	s d 12 8	s d 14 3	s d 11 9

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1924 to 1927 :-

Weeks Ended	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1928.	Cwts.	Cwts.	Cwts.	s d	s d	s d
July 14	85,632	4,334	2,608	10 9	10 2	12 5
July 21	82,311	4,703	3,630	11 0	10 5	12 1
July 19, 1924..	20,765	1,896	5,692	12 0	12 3	9 6
July 18, 1925..	106,251	8,967	16,050	11 9	10 0	10 4
July 24, 1926..	10,931	5,057	5,466	14 3	8 8	10 3
July 23, 1927..	53,750	4,970	12,095	12 8	11 7	10 4

AMERICAN WHEAT MARKETS.

Prices declined at the beginning of the week, owing to favourable weather conditions and quiet demand. A sharp rally on Wednesday was followed by bearish reports from Europe and further good harvests in the wheat belt, so that the market closed easy. Quotations :-

NEAREST FUTURE.	Jan. 6, 1927.	July 27, 1927.	Jan. 4, 1928.	July 18, 1928.	July 25 1928.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	133½	164½	137	125½	119½
Chicago (No. 2 Winter)—Cents per 60 lbs	137½	140½	130½	126½	119½

Visible supplies of wheat in Canada at 46,220,000 bushels show a decrease of 4,770,000 bushels as compared with the previous figures. Supplies a year ago stood at 30,006,000 bushels.

COAL.

Our Cardiff correspondent writes:—Conditions remain depressed. Production is at the rate of less than 70 per cent. of potential capacity, and shipments are showing very little sign of expansion. Collieries are dependent mainly on their contract commitments, and these are not heavy enough to prevent day to day stoppages in most of the districts. Quotations are unaltered, as colliery salesmen are adhering firmly to the schedule list of minimum prices. It has not yet been found possible to bring into full operation the amended marketing scheme. Some of the colliery companies have found that the operation of the minimum schedule has affected the direction of business to their disadvantage, and are asking for changes in the classified groups of coals. These grievances are now being investigated, but meanwhile the scheme remains intact. The following are the minimum prices:—Best admiralities, 19s 3d to 19s 6d; seconds, 19s to 19s 3d; best dries, 18s to 18s 6d; Black Veins, 17s 6d to

17s 9d; Western Valleys, 17s; Eastern Valleys, 16s 7½d to 17s; best steam smalls, 12s 6d to 12s 9d; cargo smalls, 11s to 11s 6d; coking smalls, 12s 6d to 13s; anthracite best large, 34s to 35s 6d; Red Vein large, 20s 6d to 25s; machine-made cobbles, 40s to 43s 6d; French nuts, 40s to 43s 6d; stove nuts, 37s 6d to 39s 6d; rubbly culm, 12s to 12s 6d; foundry coke, 27s 6d to 36s; patent fuel, 20s 6d to 22s; pitwood, ex-ship, 27s 9d to 28s.

Our Glasgow correspondent writes:—Production has been resumed in Lanark and Fife, though only partially in the former area, as a good many of the industrial works are still closed down and not in need of fuel. There is very little business passing in the market, and prices are scarcely being tested. Collieries are meantime dealing with orders carried over from the holidays. Shipment prices are approximately as follow (f.o.b. district ports):—Lanarkshire.—Ell best, 14s 3d to 14s 6d; splint best, 17s; splint second, 16s; navigation, 16s 6d; navigation second, 15s; steam, 13s 9d; Hartley, 16s 6d; trebles, 13s; doubles, 12s 6d to 12s 9d; singles 12s; pearls, 11s; dross, 9s 6d to 10s. Fife.—Screened navigation, 18s; first-class steam, 12s 6d; third-class steam, 10s 9d to 11s; trebles 12s 9d to 13s; doubles 12s 6d to 12s 9d; singles, 12s; pearls, 11s. Lothians.—Prime steam, 12s; secondary steam, 11s 6d; trebles, 13s; doubles, 12s 6d; singles, 12s; pearls, 11s. Ayrshire.—Unscreen navigation, 16s 6d; jewel, 15s 6d; steam, 13s 6d; trebles, 13s; doubles, 12s 9d; singles, 12s; pearls, 11s 3d to 11s 6d; dross, 10s.

Our Sheffield correspondent writes:—The situation does not improve, and further discharges of workmen and closing of pits have taken place. Demand from industry and the public is poor, conditions are quiet on Tyneside, and the position is affected by a shortage of tonnage. Prices are being maintained. The output of foundry coke is excessive for the present low consumption, and the recent closing of blast furnaces has checked the demand for furnace coke. The price of the latter is 12s at ovens.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—The quieter conditions noticeable last week still characterise business in the iron and steel trades. The annual holidays are now in full swing in most districts, and in Scotland all the important steel works will be closed down, some of them until the end of the month. The attendances on the London Iron and Steel Exchange naturally reflect these conditions, but nevertheless the tone of the market and the business passing compare favourably with the position during the summer months of the past year or two. Some of the British steel-makers will probably be able to make a fair restart with the accumulation of orders collected during the stoppage, but others will be rather badly off for work, so far as can be judged from present indications. A feature of the situation is the strength of the Continental market. Reports state that prices are firm, particularly for ordinary descriptions of merchants' steel. This is partly due to the good demand from the Continental home markets, but the Continental works are also securing a fair amount of business from overseas markets, although the orders for most part are limited to small tonnages. There has been a good inquiry for semi-manufactured steel from British consumers, although only a proportion of this has materialised into actual business. For the most part British users are inclined to distrust the Continental position, and to limit their orders as much as possible to current requirements. The pig-iron department continues to be the most depressed of the British iron and steel industries, and competition is keen for any business passing.

Our Middlesbrough correspondent writes:—Pig-iron: There is no improvement, and business is very scarce, notwithstanding the small output. Works still find the utmost difficulty in preventing stocks from increasing. The price of No. 3 G.M.B. is maintained at 66s, but difficulty is being experienced in making sales. As regards hematite, mixed numbers are quoted at 69s, but this is a full price, and less would be accepted. There is very little inquiry, and stocks are inclined to increase, this notwithstanding that only two furnaces in this district are making hematite. Manufactured iron and steel: The steel trade is still depressed, and orders are urgently required to keep the works going. Already plant has been closed down, and, unless there is a distinct improvement, it is thought that works will still further have to curtail their operations. Meantime quotations are unchanged, and are as follows:—Steel ship plates, £8 7s 6d; steel ship angles, £7 17s 6d; iron bars, £10 5s; steel rails, £8 10s. Iron ore: The market is firm on the basis of 22s 6d for best Rubio. The Swedish strike continues, with the result that most good ores are fully sold for some time to come, and are scarce. Coke is inclined to be firmer

at 17s 6d, delivered furnaces. Quite a good export trade has sprung up, which is very fortunate, in view of the small local demand.

Our Sheffield correspondent writes:—Industry and trade are now in the midst of the dead season, but even taking holiday influences into account trade is depressed, and the output and turnover in iron, steel, and other manufactures is below the average of a year ago. Nevertheless, Sheffield contains instances of activity. The great works of the United Steel Companies are very busy at the moment, and several good Indian and South American orders have come into the district for railway carriages and wagons and springs. The call for railway steel, however, is very poor, and several large tyre plants are standing. Inactivity at the iron foundries is responsible for the continued depression of the pig-iron market, and prices of foundry sorts keep low. The high prices of Continental material are helping home producers of basic steel, but demand for acid steel is far from satisfactory. Several orders for files and saws from Russia have been booked, but there has been no weight of work from this market for two years. The feature of nearly all branches of local industry is the multitude of small orders and a lack of bulk business. This condition may be due partly to the restricted trade and tightness of money, and partly to the absence of buyers on holiday.

Our Glasgow correspondent writes:—A number of works are still on holiday. The pig-iron market is depressed, and the unusual course has been taken of damping down a number of furnaces during the holiday period. The total number in blast in Scotland is at present only 15, but it is hoped that demand will improve sufficiently to warrant putting the 10 furnaces recently damped down into operation again soon. During the holiday period the heavy steelmakers have had some considerable inquiries, and they are hopeful that they will be able to start next week with a fair volume of work on hand. The malleable iron trade continues dull. Sheet-makers and structural engineers made a re-start on Monday. Sheet-makers, both black and galvanized, have full order-books, and prices remain firm at the recent levels.

Our Cardiff correspondent writes:—In the tinplate trade seasonal influences are affecting demand, and factories are a little less active than they have been recently. The unstable tin position is also an unfavourable factor. Under these conditions the prices of tinplates have eased to 18s and 18s 3d per basis box. Galvanized sheets, however, are steady at £13 7s 6d to £14 10s, and steel bars are unaltered at £13 7s 6d to £13 10s. Shipments last week totalled just under 100,000 boxes, compared with 151,000 in the previous week, and stocks have increased to 283,786, compared with 126,648 boxes in the corresponding period of last year.

OTHER METALS.

TIN.—The standard market displayed firmer features, sellers being more reserved in face of higher American and Eastern advices, combined with a better demand, though dealings were attended by slight irregularity. Stocks in London and Liverpool warehouses for week ending July 21st amounted to 2,054 tons, compared with 927 tons at same period last year. Standard cash sold £216, £223 10s, and £221, three months £213 10s-£212 15s and £220. Sales in the East were reported at £215 15s to £219 15s.

COPPER proved a generally quiet market, and with sellers rather prominent a weak tone ensued. Standard cash changed hands at £62 17s 6d-£62 15s, and three months £63 5s to £63 7s 6d and £63 2s 6d.

LEAD.—Market remained quiet, but fairly steady in absence of selling pressure. Good soft foreign pig, August, sold £20 18s 9d to £21, September £21 to £21 1s 3d, October £21 3s 9d to £21 2s 6d, November £21 3s 9d.

SPELTER steady, but business somewhat restricted. July sold £24 13s 9d to £24 15s, August £24 15s to £24 16s 3d, October £24 17s 6d, November £24 18s 9d.

ALUMINIUM quiet. Ingots and bars for home delivery £95 ton. ANTIMONY quiet. English regulus spot £59 10s to £60, foreign spot £39 5s shipment, £36 c.i.f. per ton.

WOLFRAM quiet. Straits quality 15s to 15s 3d, Chinese 15s to 15s 9d per unit c.i.f.

QUICKSILVER firmer. Spot quoted £25 15s to £21 per bottle. TIN PLATES in moderate request. I.C. coke prompt and forward quoted 18s 1½d to 18s 4½d per box f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, July 25, 1928.

Prices are about 43 points lower than a week ago owing to continued liquidation and "bear" selling on improved weather in the cotton belt. In consequence of this setback the market is very sensitive and is ruled entirely by weather reports. The plant is reported to be doing better than usual under unfavourable weather conditions, owing to the liberal use of fertilisers, but it still has considerable leeway to make up to reach the condition generally looked for at this period of the season. The West continues to receive beneficial rains and the Eastern belt has benefited by the improved weather. The weevil situation

is very little changed, but the plant is in a very vulnerable position, and the outcome of the race between new generations of weevils and the fruiting of the plants will be anxiously watched. Spot sales for the week, 19th to 25th (inclusive), were 29,000 bales, of which 19,820 are American, 600 Brazilian, 4,500 Peru, 2,200 Egyptian, 1,200 African, 550 East Indian, and 130 sundries. Imports for the same period were 37,654 bales, of which 11,210 were American, 1,286 Brazil, 6,893 Peru, 15,690 Egyptian, 1,142 African, 865 East Indian and 568 sundries. Quotations to-day are American middling, 11.54d; Egyptian F.G.F. Sakel, 19.45d; Uppers, 13.85d; Brazil fair, 11.79d; Peru G.F., mod.-rough, 12.50d; smooth, 12.54d; West African middling, 11.39d; and East African G.F., 14.80d.

MANCHESTER, July 25, 1928.

Business has shown practically no signs of broadening, and the attitude of buyers has again been affected by the easier tendency of values. At the moment bearish sentiment in raw cotton circles is very pronounced. Only a limited demand has been experienced in piece goods for India and operations have been confined to small lots, chiefly in the lighter styles of bleaching cloths and fancies. Some further contracts in white shirtings and cloths suitable for dyeing have been arranged for China. Not more than a sorting-up trade has been done for the several minor outlets East and West, but a little more activity is now showing itself in home trade fabrics. Here and there cases are mentioned of looms running out of work. The yarn market continues flat, and the tendency to reduce production continues.

Comparative Statement of the Cotton Trade.

	1928.				Corresp'd g. Date.	
	July 4.	July 11.	July 18.	July 25.	1926.	1927.
Raw Cotton—Mid. American	d 12-33	d 12-28	d 11-88	d 11-54	d 10-30	d 9-26
— Sakellaridis Fully Good Fair Egyptian	20-75	20-65	19-55	19-45	17-10	17-00
Yarns—32's twist	17½	17½	17	16½	16	15½
— 40's twist	17½	17½	17½	17	16½	16
— 60's twist (Egyptian)	30½	30½	29½	29½	28½	28
32-in. Printers, 116 yds, 16 by 16, 32's and 50's ..	27 0	27 0	26 6	26 3	26 3	26 0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's ..	30 0	30 0	29 6	29 3	30 3	27 9
38-in. ditto, 38 yds, 18 by 18, 10 lbs	15 10½	15 10½	15 7½	15 7½	14 7½	14 1½
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	14 9	14 9	14 6	14 6	14 1½	13 4½

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THE WOOL TRADE.

Our Bradford correspondent writes:—There is no sign of any revival in business; indeed, the lethargy of recent weeks tends rather to become more pronounced, and the market as a whole lacks enterprise. It is now common knowledge that wool values languished during the last two days of the London auctions, and although confidence in the raw material position is still fairly general, that in itself is not sufficient to stimulate buying in tops and yarns. Spinners and manufacturers continue to adopt a very conservative policy, and such buying as there is in the market is confined to minimum quantities for immediate requirements. In short, wool seems to be too dear, and the difficulty in doing trade on current values is reflected in the steadily increasing returns of unemployment. In addition to the large number of totally unemployed, there are a great many operatives on short time, and the amount of idle or partly employed machinery is increasing, especially in the spinning and weaving sections. Quotations for tops are steady, but there is no bulk business, while as regards yarns prices are irregular and competition is as keen as ever. There does not seem to be much prospect of any real improvement until after the August holidays.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

Since the close of the last London sales one or two features in connection with the raw material have been revealed which cannot be regarded as entirely satisfactory. The first is the slight ease which developed during the last three days in merinos. Greasy merinos did better at the opening than was generally expected, but their sale at the finish of the series was disappointing. Wools which would have made around 29d at the previous series failed to realise any more than 28d, though the latter were of finer quality and would give a better clean yield. Withdrawals are heavy, and considerable quantities of speculators' parcels could not be sold owing to limits not being reached. No doubt the home trade buyers who were operating got some very reasonable priced lots, but about one in three of the offerings, particularly on the last day, were withdrawn, the bulk going to Switzerland, Germany, and France. Another feature is the quantity of wool held over for the next series commencing on September 18th. This is 35,000 bales, including about 19,500 bales which were not offered. This is not a big weight as such things go, but it is rather large considering that the total offerings were only 93,700 bales. Still, even allowing for these developments, it must be agreed that the declines in merinos and fine crossbreds are small considering the high level that is still current for all classes of the raw material. Manufacturing conditions in this country are none too good, but it is reasonable to anticipate that before the end of the year there will be sufficient revival at least to stabilise values around the present level.

A cable received this week from Australia shows that a good winter season is being experienced. With the near approach of August shearing will be general throughout Queensland, Northern New South Wales, and Northern West Australia. Probably Beltana, in the North of South Australia, will be shearing, and the Australian selling season should be in full swing by September 7th, when the first Adelaide sale will take place. Buyers are beginning to leave for Australia and South Africa, and everything indicates that the forthcoming new clip will be put on the market earlier than usual. This indicates willingness on the part of pastoralists to sell, and this suggests that current values should appeal to them. If so, there seems no ground for anticipating higher values.

THE TIMBER TRADE.

(FROM OUR OWN CORRESPONDENT.)

Considerable relief has been afforded the spot timber market by the much smaller imports of softwoods from Northern Europe, for stocks, compared with the demand, have been too heavy throughout the year. From January to June compared with the corresponding period of 1927, shipments of sawn building woods have declined by some 120,000 standards (of 165 cubic feet) and of planed and dressed woods, by between 16,000 and 17,000 standards. On the whole, the spot demand for building woods is moderate, and certainly not so large as last year, when there was a record call from house and general builders. The deadlock in f.o.b. redwood buying between British importers and North of Europe shippers is still the outstanding feature of the trade, neither side making any great attempt to give way. It seems likely that British needs this year will be less than last, and any forcing of wood on the market, particularly the London market, which is well supplied, would prove expensive. Manufacture, and shipment, of deals, battens and boards under these circumstances should be light until the promises of a larger consumption are more certain.

Good joinery qualities of European, as well as Canadian pine and spruce, Douglas fir, pitchpine, and other high-class softwoods, are in steady demand at firm prices. Canadian yellow pine and spruce are in rather large supply in London compared with the demand, but stocks are in firm hands. Hardwoods are selling and moving slowly into consumption, but the good qualities and sizes are light in stock and of firm values. Despite the decline in imports between May and June, American lumber supplies are still too heavy for the health of that section of the market, and prices are unsteady. Plywood is being imported freely; there has been also a decided increase, both in the way of quantities and c.i.f. prices, of veneers, which it is to be hoped presages better times for the furniture and cabinet trades. Pitwood has declined in import this year by 117,460 loads.

HIDE, LEATHER, AND ALLIED TRADES.

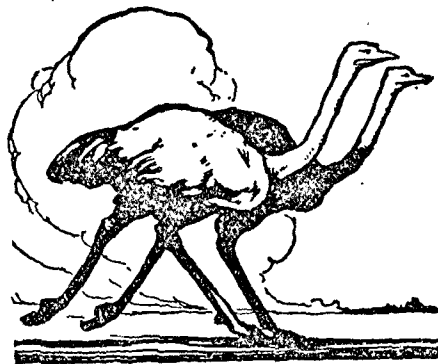
The hide market remains steady, with a tendency to advance in some directions. Supplies of domestic hides are rather short, and advances of about 4d per lb have been secured at recent auctions. Best ox are now selling from 10d to 10½d per lb, and higher rates are expected. Calfskins are also dearer, whilst kips and horsehides remain firm at recent values. Shorn skins are firm, but lambskins have sold at advances of 1d to 2d each. The South American position is quiet, but lower prices are unlikely owing to the scarcity of raw materials in most countries. Argentine fregorifics are making 12½d for heavy, and 12¼d for light. The fall in values of dry River Plate hides has led to increased demand on the part of tanners, especially in the United States, and business has been transacted on a basis of 18½d. Stocks of African hides are low, and prices firm. Dry Capes have sold at 18½d to 19d for firsts, and 17½d to 18d for seconds. Latest cables from Chicago report a reduced call for packer hides, but as 2½ cents is still asked for steer hides, there is no quotable fall in prices.

The talk of lower prices for leather has largely subsided, and buyers seem rather more anxious to cover requirements at current values. Merchants report demand as slow, but tanners seem fairly satisfied with the outlook, and are not sacrificing stocks. Bends under 30d meet with a good demand, whilst pinned offal remains a good sale, both on home and export account. The demand for dressed leather is not brisk, and orders are for small parcels of goods suitable for autumn and winter shoes. Black glacé is selling fairly well in the lower grades, but the trade doing in colours is quiet, as retailers have still heavy stocks of women's shoes to dispose of. Willow and box calf is selling fairly well in small lots at firm prices, but patent is quiet. Curriers are reported to be rather busier, some of the large firms having received further orders for export. Semi-chrome kip is in moderate request, but dressers have a difficulty in making profits, owing to the firm price of rough E.I. kips. The boot and shoe trade is quiet, and several of the large Northampton firms contemplate closing down for a fortnight during the coming holidays.

VEGETABLE OILS AND OLSEEDS.

Although markets have undergone a rather sharp decline, they have stimulated business only to a small extent. Linseed oil has dropped to £28 per ton naked ex Hull mill, following cheaper seed and the greater production of oil on the Continent. Demand from consumers is a little better, but in present circumstances there is no disposition to purchase forward. Cotton oils have been in improved request, and values are easier in sympathy with seed. Crude Egyptian offers at £32, technical refined at £34, and common edible at £36 ex Hull.

In the oilseed section linseed has again relapsed, and business in Plate to Hull has been done down to £15 10s for shipment.



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At the close, however, values were steadier, but trade is very low. The strike at Rosario is over, and shipments should soon be resumed on a normal scale. The quantity afloat to Europe is now 173,000 tons, as against 146,000 tons a year ago. Old crop Egyptian cottonseed has further declined, and for black as low as £10 2s 6d has been accepted for resale parcels afloat. New crop is nominally £11 for September, and £10 12s 6d for October loading, but there is very little interest taken in it as yet.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—There is a steady off-take of British refined goods, and no change was made in quotations. T.L. granulated, spot, London, sold, 26s 3d, ex factories. Ely, Cantley, and Ipswich, prompt, 26s 3d, extra fine, 27s 1½d. Dutch "J," also Czechoslovak, spot, 26s; German, 25s 7½d. Czechoslovak granulated, August, 14s 6d; November-December, 13s 9d; January-March, 14s, f.o.b. Hamburg. Dutch "J," ready, 14s; November-December, 13s 8½d; January-March, 14s 8½d, f.o.b. Rotterdam. White Mauritius, spot, 24s 3d to 24s 6d, as to quality. White Java, to Calcutta, July-September, 12s 7½d; October-December, 12s 8½d; January-March, 12s 9d. Centrifugals, basis 95 per cent., July-August, 11s 9d; preferential, ditto, 15s 7½d. White terminal irregular, with fair sales. August delivery, sold, 14s 0½d to 14s 1½d and 13s 1½d; December, 14s 4½d to 14s 2½d; March, 14s 7½d to 14s 5½d; May, 14s 9½d to 14s 7½d per cwt. Stocks of raw sugar in the three chief ports of the United Kingdom were returned at 122,372 tons, compared with 111,352 tons at same time last year. Cuban receipts last week, 27,576 tons, against 30,699 at same time last year; exports, 71,976, against 73,904; stocks, 1,056,592, against 1,043,913 tons.

COFFEE.—There was no new development in this market. General trade is slow, with export demand confined to very common qualities. Fine bold Mexican, sold, 145s 6d; Kenya, 136s 6d.

COCOA.—Only a quiet business in spot parcels at about late rates. Terminal section quiet and irregular. September delivery, sold, 59s to 58s; October, 57s 9d to 58s; December, 58s 3d; January, 56s 6d to 57s 3d; March, 57s to 57s 3d.

TEA.—Indian auctions embraced some 14,300 packages. Brisk competition prevailed for all teas possessing attractive liquor, and these realised steady rates, but low medium and common proved ½d per lb lower while in quiet request. Ceylon sales again occupied two days, when a total of 37,511 packages was offered. A generally subdued tone predominated, low, medium and common, while irregular, being mostly ½d to ¾d lower. Best and colour liquoring invoices commanded firm prices. Java auctions met a quieter demand. Fine steady but other grades easier.

RICE.—Business with Europe is still kept down, and market remains without new feature.

BEANS.—Firm, but quiet. Madagascar butters, spot, 21s to 23s 6d, as to sample. Afloat, buyers, 20s, but sellers out of the market, and apparently shippers prefer to land supplies against future requirements.

PEAS.—Market firm though quiet. Japanese, July-August, quoted 23s 9d; new crop, August-September, sold, 22s 9d; September-October, sellers, 22s 9d cwt, c.i.f., London.

SPICE.—Pepper dull, and forward positions weaker. Lampung, spot, quoted 1s 4d; black Singapore, 1s 5d; Muntok, 2s 1d; Tellicherry, 1s 5d; Aleppy, 1s 4½d. Lampung, August-October, steamer, sold, 1s 1d; Muntok ditto, 1s 9d. Cloves firm Zanzibar, on spot, 1s; August-October, sold, 1s 0½d lb. Pimento dull unaltered. Singapore flake tapioca, August-September, to Havre, quoted 20s 3d. Sago flour, afloat, to the U.K., quoted 11s 6d; forward, 11s 9d to 11s 10½d, c.i.f. Dutch farina, July-August, 14s, f.o.b. Tapioca flour, July-August, 9s 9d, with fine lots up to 12s, c.i.f., U.K. Ginger quiet but steady.

FRUIT (Dried).—Currants firm but business restricted. Pyrgos quoted 51s to 51s 6d; Patras, 53s to 54s; Amalias, 52s to 53s; Gulf, 55s to 57s; Vostizza, 60s to 62s. Sultanas, Smyrna neglected, common to medium, 38s to 35s; good to fine, 56s to 62s; Cretan, 48s to 65s; Australian, in fair request, and new ranges from 55s to 110s; Californian, 38s to 48s; Cape, 42s to 45s; bleached, 50s to 55s. Raisins dull. Valencia quarter boxes range from 33s to 37s; Australian Lexias, 42s to 45s; Cape, 37s to 45s. Figs, quiet. Genuine, spot, 25s to 29s, for shipment first half September, 23s; September, 21s to 22s, c.i.f. Dates slow. Hallowie, spot, 14s to 19s; Siar, 12s 6d to 16s, as to sample. Evaporated fruits: The general position remains unaltered and business on a small scale. Apricots, however are selling fairly well both Cape and Australian, while forward quotations for plums tend easier, consequently buyers were more disposed to operate. Californian pears, extra choice, 85s; fancy, 97s 6d. Apricots, royals, new crop, best, 117s 6d; second, 90s; third, 75s; Cape, new second grade, 80s; third, 70s; Australian, 85s to 110s. Californian peaches, choice, 62s 6d; extra choice, 65s; fancy, 70s. Plums: Californian, small sizes range from 31s to 38s; and larger, 42s to 64s. Apples: Californian, spot, sliced, extra choice, 110s cwt. Almonds steady, with small supplies available, with new crop quotations above buyers ideas. Apricot kernels: Indian sweet, spot, 100s; afloat, 90s, c.i.f. China, bitter, spot, 52s 6d; shipment, 56s, c.i.f. Hazel kernels: Kerasunde, spot, 87s 6d; Barcelona, 92s 6d cwt.

CANNED GOODS.

CANNED FRUITS.—Inquiries for canned fruits are increasing, and market firm. Pears continue to realise full rates on scarcity, and apricots also sell readily. New crop quotations are not expected to show much alteration. Fair supplies of Australian fruits continue to come to hand and move off at full rates. Singapore pines steady, but in moderate demand, while business in South African and Hawaiian is restricted by scanty offerings. Italian tomatoes quiet, at about late rates, both spot and forward.

CANNED FISH.—Sardines steady, with fair inquiries for the finer qualities. Portuguese clubs quoted 5s. Salmon firm on light supplies. Red tails, spot, quoted, 48s 6d to 52s; pink tails nominal on spot, with extreme rates asked for shipment parcels, while pink halves sell at 33s to 35s. Lobsters in steady demand at 140s to 145s for halves, and 77s 6d to 82s 6d quarters. Japanese crab firm on scanty stocks, but new seasons pack will be shortly available. Best quality, quoted, 92s 6d to 95s.

CANNED MEATS.—Move off slowly at about late rates, though ox tongues are firm and reservedly offered.

CONDENSED MILK AND MILK POWDERS.—Milk: Full cream sweetened, English, spot, 45s; Dutch, 40s; August, 41s, August-September, 42s 6d. Machine skimmed sweetened, English, spot, 27s 6d; Dutch, 26s; August, 26s 3d; August-September, 27s 6d; all in 5 cwt barrels. Powders: Spray, F.C., 26 per cent., 2 by 56 lb tins, prompt shipment, 96s; Spray, M.S., 1 cwt cases, 48s; Roller, F.C., 26 per cent., 82s; M.S., 41s, all nett, ex-wharf, London, duty paid. On the grocery side, F.C.S., 20s; M.S.S., 11s 6d, basis per case, usual packing.

HONEY.—Market steady, but demand quiet as usual at this period of the year. New Zealand, 58s to 88s per cwt, as to quality; palish set San Domingo, quoted 50s; and manufacturing grades down to 35s; Jamaica grades in better supply. Pale set amber was obtainable at 45s; and manufacturing, 32s per cwt.

RUBBER.

Prices without much change, and business on a fair scale. Plantation, standard sheet, spot, and August, sold, 9½d to 9¾d; September, 9½d to 9¾d; October-December, 9½d to 9¾d; January-March, 9½d to 9¾d; April-June, 9½d; January-December, 1929, 9½d. To New York, sheet, July-August, sold, 9½d lb. So far London stocks look like being only a few hundred tons down next Monday, as movement of one or two hefty parcels may be delayed until next week. Landings last week amounted to 1,141 tons; deliveries, 1,818; stocks, 35,248, compared with 63,505 at corresponding period last year, being a decrease of 677 tons on the week.

GENERAL.

JUTE.—Market opened easier, but assumed a steadier tone later. Firsts, July-August and August-September, old crop, sold, £35 5s to £35 15s; new, August-September, £36 5s to £37; November-December, £36 10s to £37 5s ton. Hessians firm, quiet.

HEMP.—A dull tone for Manila parcels, and prices slightly against sellers. J2, August-October, quoted £36 15s; K ditto, sold, £30 5s; L1, £40 15s; L2 and M1, quoted £26; M2, £25 10s; S3, £42 10s ton. Sisal dull, unaltered. Mexican receipts last week, 13,000 bales; stocks, 140,000. Reports from the Baltic flax districts state that about an average may be secured, weather being very favourable. Manila receipts for the past week totalled 28,000 bales, against 17,000 at same time last year; estimate for next week, 26,000, and following week, 31,000.

SHELLAC.—Irregular. T.N., spot, 230s; October, sold, 217s 6d to 210s; December, 215s to 207s 6d per cwt.

COPRA.—Market quiet. Straits S.D., August-September and September-October, Rotterdam, sold, £26 11s 3d; Dutch East Indies, ditto, sellers, £26 5s; Ceylon, £27 12s 6d; mixed to Marseilles, £25 15s; South Sea K.D., £25 12s 6d. Palm kernels, August-September, to Hamburg, sold, £20 10s per ton.

TALLOW.—Messrs Colchesters and Woolner write on July 25th as follows:—The tallow market was firm during the week on the spot, and prices were fully maintained to-day for inferior kinds, while fine mutton advanced 6d, and good mixed 3d. There is little change in the position, the Continental demand continuing remarkably quiet. At auction to-day 678 casks tallow were offered, and 371 were sold. Quotations are:—Australian mutton: Fine, 43s 6d; good to fair, 42s 6d to 40s 6d; dull to dark, 38s 6d to 37s 6d; hard, 42s. Australian beef: Fine, none; good to fair, 42s to 40s; dull to dark, 37s 9d to 37s; sweet, 45s. Present shipment from Australasia—Good mixed, 41s, nominal. Present shipment from South America—41s. The market letter is unchanged. Town tallow, 37s 6d per cwt. Rough fat, per 8 lbs value, 7½d; melted stuff, 27s 6d per cwt. Quotations are: Town, 37s 6d net cash, naked, ex works. Country—Frail casks, 38s; home melted, shipping casks, net f.o.b., good coloured,

40s 6d; fair to dull, 39s to 38s. Bone fat: white, none; pale, none; benzine, 33s; melted stuff, 33s, f.o.b.

MISCELLANEOUS.—Coconuts quoted 18s to 23s per 100. Coir yarn, Ceylon, £18 to £28 15s; Cochin, £28 10s to £40; Ceylon bristle, £19 to £25 10s; cinnamon leaf oil, 4d; citronella, Ceylon, 2s 2d; Java, 1s 1½d.

METROPOLITAN CATTLE.—July 25.

British Beasts, per stone of 8 lbs to sink the offal. Sheep per stone.

Beasts—Norfolk	s	d	s	d	Beasts—Heavy Bulls	s	d	s	d
Irish	..	..	..	..	Canadian	..	..	..	..
Cambridge	..	..	..	..	Sheep—Downs	8	0	9	4
Short Horns	6	8	7	2	Half bred	..	..	..	..
Herefords	7	2	7	6	Ewes	5	0	5	4
Devons	..	..	..	..	Scottish	..	..	..	..
Leicester runts	..	..	..	..	Lamb—Downs	9	0	9	8

LONDON POTATO MARKETS.—July 25.

English Kidney	Per Cwt.	s	d	s	d
" rounds	6	0	7	0	6
"	5	0	5	6	6

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, THURSDAY.				DYE STUFFS, &c.				METALS—B. Copper				SUGAR—per cwt, duty 11s 8d.			
COCOA—Duty, British grown,				Galls, China, per cwt				Best selected				98 per cent. polarisation			
9s 4d, foreign, 14s cwt				Turmeric, Bengal				Sheets (strong)				B.W.I., muscovado			
Tinidad, per cwt				Madras, finger				Standard				Crystallised			
Grenada				Gambier, block				Lead Eng. Pig per ton				Java, white, Calcutta,			
Ceylon, plantation				Cutch, ord. to fair				Soft Foreign				Do U.K., Jan-Mar, 12			
Guyaquill				DYEWOODS—				Spelter G.O.B.				Refined—London—			
Bahia, finest				Brazil, per ton				Tin—English ingots				Yellow Crystals			
				Fustic, Jamaica				Do do bars				Cubes			
				Cuba				Standard, cash				Crushed			
				Ligna Wood				OILS—Fish, per ton—				Granulated			
				Logwood, Campeachy				Seal, pale				Castor			
				Honduras				Linsed, p. ton net, naked				Pieces			
				Jamaica				Rape, refined				Home Grown (prompt)			
				Red Sanders				Crude							
				Sapang Ceylon				Cotton-seed, crude							
				FLAX—spot—c.i.f.				Edible, refined							
				Riga ZK				Coconut, crude							
				Pernau HD				Deodorised							
				Slanetz Medium 1st sort				Palm							
				FRUIT—				Lard, American							
				Oranges, Denia & Val. 300				Petroleum—Oil, per 8 lbs							
				Do				Water-White							
				Do S. African boxes 20				Oil Cakes, Linsed, Eng.							
				Do Java boxes 144				per ton							
				Do Brazilian boxes 17				Oil Seeds—Linsed—							
				Do Murcia 3 case 300				La Plata, per ton Aug-Sept.							
				Melons, Val., case 24 9				Bombay, p. ton Aug-Sept.							
				Do case 36 13				Calcutta, p. ton Aug-Sept.							
				Lemons, Naples, cases				PORTLAND CEMENT—Best English							
				Do boxes 30				per ton delivered, London 53 0 55 0							
				Do Biollian, boxes 29				Rapid hardening "Ferrocrete," 7/6							
				Do boxes 32				per ton extra							
				Do Murcia cases 0				"Lightning" brand Aluminous Cement							
				Grapes, Lisbon, boxes 0				100 105 6 per ton.							
				Almeria, barrels 0				PROVISIONS—							
				Val. Ons. 5 0 9				Butter—per cwt—							
				Apples: American, bbls 0				Irish creamery							
				Australian (var.) boxes 0				Do factory							
				Tasmanian Boxes (var) 9				Australian							
				HIDES—Wet salted—				Argentine							
				Australian, per lb 0				Dutch							
				West Indian 4 0 9				New Zealand							
				Cape 6 0 10				Danish							
				Lisbon 0 52 0				Bacon, engd—Irish							
				Oporto 0 4 0 102				Danish							
				Do Dry & Salted Cape... 9 1 6				Canadian							
				Madagascar 0 6 0 93				American							
				Central American 0 7 1 6				Dutch							
				Buffaloes, Singapore 0 4 0 11 1/2				Hams—Irish							
				Penang 0 6 0 10 1/2				Canadian							
				E. I. 0 5 1 0 1/2				Lard—Irish bladders							
				Market Hides, London—				per cwt							
				Best hy. ox & haffer 0 8 0 9 1/2				Pork—per 8 lbs							
				Do light 0 8 0 9 1/2				Beef—Frozen							
				Do heavy 0 8 0 9 1/2				Scotch							
				Do light 0 8 0 9 1/2				Cheese—cwt—Canadian							
				Best cow 0 8 0 9 1/2				New Zealand							
				Do calf 0 13 1 1 1/2				Eng. Cheddars							
				Do 0 12 1 1 1/2				Cheeshire							
				INDIA RUBBER—lb—				Dutch							
				Para, fine hard spot 0 11 0 0				Eggs, per 120—English							
				Plantation sheet 0 9 1/2 0				Irish							
				INDIGO—per lb—				FLLOUR—280 lbs—							
				Bengal, gd red vdo, 10 fine 5 6 0 6				London standard ex mil 37 0 0 0							
				Mid. ord. vdo, to good 5 0 5 6				RIICE—per cwt, c.i.f.							
				Low to good ord. 4 0 5 6				Rangoon, No. 2							
				Madras, dry leaf, good 1 0 2 6				Broken 1A							
				Do low to ord. 1 0 2 6				ROBIN—per ton—							
				Kurrach, gd. mid. to gd. 4 0 4 6				American							
				Low to mid. 3 0 4 6				French							
				HEMP—per ton—				SAGO—Pearl, per cwt.							
				Italian P.C. 68 0				SHELLAC—per cwt—							
				Manilla, Aug-Oct. "72" 36 15				Orange, first marks							
				N.Z., H.P. fair, Aug-Sept. 30 10				Second, fair to fine							
				JUTE—Native first mks. July-Aug. 35/15/0				TN Orange							
				" " Aug-Sep. 36/15/0				Garnet, Lao, AO							
				" " New Crop				Button—Lac							
				" " July-Aug. 37/0/0				Blocky (TN)							
				" " Aug-Sept. 37/0/0				SILK—per lb—							
				" " Nov.-Dec. 37/5/0				China—Blue Elephant							
				LEATHER—per lb—				Canton							
				Sole Bends 6/3 lb... 2 0 2 7				Tussah							
				Do do 10/12 " 2 0 2 7				Re-rolled							
				Do do 12/14 " 2 1 2 8				Japan							
				Do do 14/16 " 2 1 2 8				Italian—Raw, Ir. Milan							
				Do do 17 lb and up. 2 1 2 8				SHELLS—M.-O.-P. per cwt—							
				Bark Tanned Sole 3 0 4 0				Manilla, bold							
				Shoulders 18 Ds Hides 1 1 1 1 1/2				Mace							
				Do Eng. or WS do 1 8 2 4				Macassar							
				Belles from WS do 0 11 1 1				Sydney							
				Do Eng. or WS do 1 1 1 6				N.W. Australian							
				Dressed Hides 4 6 0 0				Bombay							
				Do Eng. Calif. 20/30 lb. 4 0 6 0											
				Aust. Sides 1 3 1 9											

The Economist,

WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

Vol. CVII.

SATURDAY, AUGUST 4, 1928.

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shipments will not attain large dimensions, and this view is supported by the fact that the covering of Wednesday's purchase raised the Berlin exchange rate to above the gold point. The technical cause of these gold losses was the sending forward by German holders of sterling bills to London for discount, but the ultimate, if indirect, cause probably lies in the New York stringency.

The discount market was naturally affected by the gold position, and market rate on Wednesday was called 4½ per cent. Some anxiety has been expressed as to French policy. It is known that French interests hold large quantities of August maturities, and this has aroused the fear that the money so released this month may be withdrawn from London. Such apprehensions are groundless. French policy is to buy and hold three months' bills, and the funds made available by August maturities will in all probability be mostly reinvested in fresh bills carrying dates around the end of October and early November.

	Aug. 2, 1928.	July 26, 1928.	July 19, 1928.	July 12, 1928.	Previous Rate and Date Changed.
Bank Rate	4½	4½	4½	4½	5 (Apr. 21, '27)
Banks' Deposit Rate	2½	2½	2½	2½	3 (Apr. 21, '27)
Discount Call	2½	2½	2½	2½	3 (Apr. 21, '27)
Houses' Notice	2½	2½	2½	2½	3½ (Apr. 21, '27)
Market rate (3 months' bills)	4½	4½	4½	4	..

The Bank return reveals a decrease of £2,361,358 in the stock of coin and bullion. Circulation was increased by £1,200,350, so that the Reserve has fallen, by £3,561,708. As liabilities have not fallen in the same ratio, the proportion of reserve to liabilities at 48½ per cent. is 1½ per cent. lower on the week. Public Deposits have risen by £634,039 and Other Deposits have fallen by £3,297,821. Government securities have risen by £922,643 and Other securities by £5,641. Currency notes were increased by £2,523,000 to £297,647,000, which includes £1,251,200 for notes called in but not yet cancelled. The fiduciary issue is £240,145,400, or £4,789,700 below the maximum for 1928.

NEW YORK MARKETS.

Our New York correspondent cables:—The share market has continued its recovery, with a further increase in the volume of business, which, however, is still moderate. Brokers' loans, after a net reduction of \$379,000,000, were up \$75,000,000 this week. The Federal Reserve statements show a moderate increase in discounts in the system as a whole and in New York, and a slight fall in the ratio. These changes probably reflect the month-end settlements. A feature of the recovery has been the sharp advance of a few select shares to new high levels. Industrial news continues satisfactory. Steel production is gaining slightly, with prices firm. The level of profits is also good, General Motors achieving a record for the second quarter and the half-year. Autumn business prospects are considered favourable, uncertainty chiefly centring on the possibility of increased Stock Exchange activity making money tighter.

THE STOCK MARKETS.

The lethargic condition of the stock markets has been even more pronounced this week than last. Business has been of the smallest dimensions, and comparatively minor transactions have exercised a disproportionate effect on quotations. Gilt-edged stocks were dull on signs of increasing firmness in the money market, and home rails reacted after a too-sudden rise on the interim dividend announcements. Dealings in industrial shares were confined mainly to a limited number of specialities. Rubber shares were idle, and the Paris Settlement restricted business in the oil market, but the Cape showed a slight recrudescence of interest in Kafirs. The new issue market was less active on the eve of the "close" season. The lists of the following, *inter alia*, were early closed:—Belgian Finance, Trans-Oceanic Trust, Worldecho Records, French Phototone, and Hispano-Suiza Motors.

THE COMMODITY MARKETS.

Trade is now under the influence of the holidays, and there has been little or no change for the better. Wheat markets have been dominated by favourable crop reports, and prices are again easier. The coal trade remains dull, and the most hopeful feature is the report that one or two

large contracts are now being negotiated in South Wales. As regards iron and steel, business at Middlesbrough is extremely limited, but the Glasgow situation is perhaps more hopeful. Sheffield trade is variable, the depression being the most marked in the heavy branches. Inquiries for tinplates at Cardiff are more active. On the London Metal Exchange tin and copper were both irregular and weak. Demand for cotton yarn and cloth at Manchester is still restricted, and the most hopeful news is that of the settlement of the Ramsey Mill dispute and the aversion of the threatened lock-out. The Bradford wool trade is again quiet and restricted, and prices offered for yarn and cloth are most unsatisfactory. Jute prices are well maintained. English market hides are firmer, but foreign hides have a tendency to weaken. Sole leather is in better demand, but boot and shoe production is still restricted. Trade in oils and oilseeds is slow, but rubber is in fair demand at steady prices.

FOREIGN EXCHANGES.

Dealings last week were again restricted in volume, the principal feature once more being the weakness of sterling against nearly all the exchanges. The reichsmark fluctuated a good deal as a result of heavy shipments of gold from the Bank of England to Germany, and Montreal at one time went to a premium against New York. New York on Thursday stood at 4.85½ after having been as high as 4.85½, and as low as 4.85½. Forwards were at discounts of ½ cent and 1½ cent for one and three months respectively, these rates being very little changed from last week. Montreal improved to 4.86 after being at one time 4.85½, but forwards went from about par for both periods to discounts of ½ cent for one month, and 1 cent for three months respectively. Paris fluctuated a good deal within narrow limits, and declined on balance from 124.05 to 124.12, but forward quotations were firmer at a premium of 3 centimes for one month, against par last week, and of 6 centimes for three months, against a premium of 5 centimes last week. Brussels was unchanged at 24.90½, forward discounts being fractionally narrower at one centime for one month and three centimes for three months. Milan remained unmoved at 92.83, and forward discounts were again narrower at 6 and 16 centesimi for the two periods. Madrid was unchanged both spot and forward. Lisbon registered a considerable recovery at 105½. Of the gold exchanges, Amsterdam moved in our favour from 12.07½ to 12.08½. Berlin weakened from 20.34½ to 20.36, from which level it reacted to 20.33½ as a result of the gold shipments referred to above. Geneva improved a point to 25.22, and Stockholm also to 18.15, whilst Oslo gained a fraction at 18.19. Forward guilders were slightly more wanted at fractionally narrower discounts of ½ cent. and 1½ cents for the two periods, as were also forward reichsmarks at narrower discounts of 4 and 10 pfennigs, as against 5 and 11 pfennigs last week. Among the South American exchanges Buenos Aires lost a little at 47½d, the others remaining unchanged. In the Far East the rupee was unchanged at 1s 5 29-32d, but the yen lost 5-32d at 1s 10½d. Batavia was unaltered at 12.10½. The silver markets saw only small fluctuations in the price of both spot and forward silver, the former declining ¾d, and the latter ½d in the week, free sales by the Continent being counteracted by fairly heavy buying by the Chinese banks. The Chinese silver exchanges moved very little as a result, Hongkong being unaltered at 2s 0½d, whilst Shanghai improved by ½d to 2s 8½d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended July 28, 1928:—

(000's omitted.)		
EXPENDITURE.	£	RECEIPTS.
Supply Services	5,139	From Revenue.....
Interest, &c., on Debt	1,074	11,049
Sinking Fund	1,603	
Sundries.....	317	
Reduction of Debt.....	2,766	
Increase in Balances	150	
	11,049	11,049

The Ordinary revenue for the week amounted to £11,049,300, as compared with £9,576,300 in the corresponding week last year. Customs were higher at £2,524,000, against £1,767,000, but Excise was lower at £765,000, against £1,014,000. Property and Income tax brought in £2,272,000, as compared with £4,047,000,

and Super Tax £220,000, as compared with £330,000. Estate Duties at £3,290,000 were £2,430,000 higher, while Ordinary and Special receipts were higher at £220,000 and £1,300, against £20,300 and nil respectively.

The national debt was reduced by £2,766,000, as shown below:—

shown below

(000's omitted.)

	£		£
Public Department Advances	— 8,800	Treasury Bills	6,584
National Savings Certificates	— 150		
Sundries	— 400		
	<u>9,350</u>		<u>6,584</u>

The floating debt was reduced by £2,225,000 to £757,095,000.

FINANCIAL YEAR, 1928-29, April 1 to July 28, 1928.

£		£	
Expenditure	251,513,473	Revenue	173,205,145
		Amount borrowed ..	74,935,055
		Decrease in balances	3,373,273
	251,513,473	Total	251,513,473

ESTIMATES (New Basis), 1928-29.

£		£	
Expenditure	676,581,000	Revenue	*756,083,000
Sinking Fund	65,000,000		
Surplus	14,502,000		
	756,083,000		756,083,000

* Includes £13,200,000 from Currency Notes Assets.

SELF-BALANCING REVENUE AND EXPENDITURE.

£		£	
Post Office	57,314,000		
Road Fund	21,300,000		
	78,614,000		

The surplus of £4,239,000 for 1927-28 is carried forward.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Union Bank of Australia, Oak Investment Corporation, Panama Corporation, City of San Paulo Improvements and Freehold Lands, Anglo-Dutch Plantations of Java, Malayalam Plantations, Semenyih Rubber Estate, and Threlfall's Brewery. The chairman of the Anglo-Dutch plantations referred, in somewhat conservative terms, to possibilities of an increased future output of rubber from bud grafting and seed selection. At the first ordinary meeting of the Oak Investment Corporation, the Marquess of Winchester revealed that the corporation's investments were held as to nearly 60 per cent. in gilt-edged stock, the balance being almost equally divided between preference stock and ordinary and deferred stocks and shares.

The attention of our readers is drawn to a rearrangement of the matter appearing in THE ECONOMIST. Articles and notes of the week dealing with investment topics and company reports, a review of the markets, latest quotations of active securities, comments on new issues, and other news of special interest to investors have been grouped together under the general heading of "The Stock Exchange." This section commences in the present issue on page 236.

THE GOVERNMENT AND PROTECTION.

THE Parliamentary Session which closed this week has been one of more than ordinary interest. Its work has touched the national life in many different ways through events, for instance, so widely divergent in character as the passing of a new Companies Act, insistence on the personal liberty of the subject, and the decision to reject the revised Prayer Book. But all such events are, of course, secondary to the Budget, which, with its far-reaching plan of rating relief and local government reform, has been incomparably the big thing in the Session.

Yet, important though the work of the Session has been, it so happens that its closing invites, not retrospect, but immediate study of the political atmosphere in which the adjournment takes place. As so often happens in the political firmament, a cloud which has long been stationary on the horizon has all of a sudden blown up

and dominated the sky. The cloud is the question of the "Safeguarding" of industry, and the gust of wind which has blown it up derives its force from a growing public uneasiness over the progressive increase in unemployment. As always when the grim spectre of unemployment rears its head more obtrusively than usual, all the nostrum-mongers immediately bob up with an intensive propagation of their own pet theories. So it comes about that our Protectionists are now in full hue and cry, endeavouring to force the Government into making Protection (in whatever euphemistic garb it may be disguised) the main issue for the General Election which must take place in 1929.

The present position of the Government with regard to Protection is quite clear to everyone. Mr Baldwin, having burnt his fingers over the question of tariffs in 1923, was returned to power in 1924 on a distinct pledge that only certain minor experiments in import duties should be tried within closely defined limits. He and his Cabinet realise that for the lifetime of the present Parliament they are bound by this pledge, and that, until the country has been consulted, no further progress along the tariff road is within the sphere of practical politics. But a consultation of the country is approaching, and a declaration by the Prime Minister of the policy to be put before the country by him and his colleagues was expected to be made shortly, probably at the Conservative Party Conference in September.

But certain impatient sheep in the Prime Minister's flock have refused to wait for the voice of the shepherd, but have cried out themselves—and in opposite senses. The Chancellor of the Exchequer, in a weighty speech in the House of Commons, to which we alluded last week, has deprecated any "fundamental change" in our fiscal system, while the Home Secretary, in a platform speech in the country, has demanded a further big step in the direction of Protection. This conspicuous clash of Ministerial opinions has created a political sensation, and given rise to much declamation on the subject of corporate Cabinet responsibility. This incident is said to have been amicably settled at a Cabinet meeting on Wednesday. But we are still left to wonder which is the authoritative voice. In answer to a Parliamentary question on Thursday Mr Baldwin gave what may be called a pro-Churchill reply. But a full statement of policy is clearly required.

The centre and focus of all this bubbling controversy is the iron and steel industry. The week before last a deputation from this industry waited upon Mr Baldwin and asked that it should be included under the "Safeguarding" scheme. Mr Baldwin gave a categorical refusal, and his correctness in doing so is beyond question, even from Protectionists, not merely because to accede to the request would be a breach of his clear pledge to the country, nor merely on the merits of the case, but because, if ever the country really contemplates giving protection to one of its great basic industries, the question—one of vital importance to the country's economic life—cannot conceivably be entrusted to a Safeguarding Committee, which normally consists of three non-expert persons, but would of necessity have to be laid before a full-dress, expert, tariff commission.

The line taken by Sir W. Joynson Hicks, Sir Robert Horne, Sir H. Page Croft, and the other tariff enthusiasts, is to urge the Government to extend the operation of the "safeguarding system." This demand cloaks the real issue, which is whether or not the Government will once more propose the institution of a general tariff on manufactured imports. The truth about the safeguarding system is that it is incapable of extension. It is played out. Not only have its anomalies, unfairnesses, and inadequacies been fully exposed; an even more important truth is that the system has already run through practically the whole range of smaller industries, which it was devised to deal with. Some fifty of such industries have applied for the protection of import duties, though only eight have succeeded in their pleas. There remain, practically speaking, as candidates for Protection, only the greater staple industries of iron and steel, engineering, wool and worsted, cotton, &c., all of which in greater or less degree—and, on the whole, to a far higher degree than in any other great industrial country in the world—are exporting industries. Directly the idea of protecting these industries is raised, the question becomes clearly not one of a mere "extension of safeguarding," but of a

fundamental change in fiscal policy affecting in a far-reaching way the economic life of this country. To protect these trades would tend to make them inward looking instead of outward looking, and would be an attempt to make us more self-sufficient instead of living by exchange.

If the proposal to extend tariff protection to the steel industry involves the whole question of a general tariff, it is equally true that as soon as the question of a general tariff is raised, its supporters have to face certain very big considerations, which become instantly involved. The first and most insistent, perhaps, is that of agriculture. It is recognised by orthodox protectionists of all countries that, in the long run, a general tariff on manufactured imports must entail the protection of agriculture, or, to look at it from the consumer's angle, taxes on imported foods. This is inevitable, for the simple reason that you cannot go on indefinitely making agriculturists pay more for the goods which they have to buy, unless you give to them also a barrier behind which they may raise the price of the goods which they have to sell. This argument derives especial force to-day from the difficult circumstances with which the British farmer is contending. It will appeal, also, on different grounds, to the school which concentrates on the privileged development of Empire trade, for it is only one degree less true than when Mr Joseph Chamberlain courageously said it a quarter of a century ago, that "you cannot have Imperial Preference without a tax on wheat."

But this is by no means the only major point with which advocates of a general tariff are immediately brought face to face. They will have, to take one instance, to decide what level of tariff they have in view. The "safeguarding" procedure has accustomed us, in its haphazard way, to the idea of 33⅓ per cent. duties. Is that to be their model? Is Britain to be placed among the high-tariff countries or the low-tariff countries? What, again, is to be the aim of the tariff? Is it to be a bargaining tariff, or is the main idea to stop trade with countries whose competition is, in loose terminology, declared to be "unfair," because wages are lower in them than in Britain? How will they convince the British working man that tariffs are to his advantage, when one of their main pleas is that industrial costs and standards of living are lower in European Protectionist countries than here? To pose one more query, is it really against low-wage countries that they seek to impose Protection, or is it in reality the competition of the high-waged United States that is the centre of the problem?

These are a few of the fundamental problems that our Protectionists have to ponder very seriously, and which at the moment they show no signs of having frankly faced. If the gage is really to be thrown down and general Protection made an electoral issue, these and many other points will have to be clearly expounded to the country. If that is done, we have little doubt that the country's answer would be similar to that which swept Mr Baldwin out of office five years ago. "Once bitten, twice shy," is a motto which he, of all men, has reason to remember.

CHINA AND THE UNITED STATES.

WHEN discussing last week the latest readjustments in China, we foreshadowed that the United States was preparing to take the initiative in placing her relations with China on a new footing. This forecast has been fulfilled. It now appears that, on July 24th, Mr Kellogg had already addressed to the Kuomintang Government a note in which he recalled the proverbial goodwill of the United States towards China, affirmed his belief that "a new unification of China is in process of emerging from the chaos of civil war and turmoil," and announced his readiness for the negotiation of a new Sino-American treaty, in substitution for the tariff provisions in the existing treaties, which was to be based on the reciprocal recognition of the two principles of national tariff autonomy, and of non-discriminatory treatment of the commerce of either contracting party in the ports and territories of the other party. This note really endorsed

action which was on the verge of being completed, as is shown by the fact that on the very next day, July 25th, a treaty on these lines was signed at Peking by the Finance Minister of the Kuomintang Government, Mr T. V. Soong, and the U.S. Minister in China, Mr MacMurray. This instrument, which is very brief, restores to China complete tariff autonomy as far as the United States is concerned, while reserving most-favoured-nation treatment in China for the United States. Apart from the importance of these provisions in themselves, the signature of the instrument is significant because it is tantamount to a recognition of the Kuomintang Government by the other contracting party. Thus the United States has recovered the initiative which was temporarily taken from her by Great Britain in December, 1926, and January, 1927, when comprehensive and liberally-conceived proposals for readjusting the relations between China and the Treaty Powers were put forward by the British Government. The importance of the new Sino-American Treaty is not seriously diminished by the fact that, in replying to Mr Kellogg's note, the Kuomintang Foreign Minister, Mr C. T. Wang, has attempted to draw the United States into immediate negotiations for general treaty revision, and that this diplomatic manoeuvre has been met by a statement from Mr MacMurray that the intentions expressed in the note of the 24th have been fully implemented in the treaty of the 25th. The fact remains that the United States has recovered the lead in dealing with Nationalist China at the moment when the Nationalist cause really seems at last to be triumphing definitively.

During these long years of revolution, when the future of China has been in doubt, the respective relations of the various Treaty Powers with China have varied continually. From the presentation of the notorious "Twenty-one Demands" in 1915 down to the settlement of the Shantung question during the Washington Conference of 1921-2, the Chinese *bête noire* was Japan; from the Shanghai and Shameen "shooting incidents" of 1925 down to about this time last year, it was Great Britain—and it was under stress of this unenviable predicament that the British Government took those initiatives in December, 1926, and January, 1927, which have been referred to above. Last summer, however, Japan once more relieved us of the rôle owing to two events which had no immediate connection with one another: first, the overthrow of the Russian Communist Mission, whose leader, Mr Borodin, had been the heart and soul of the policy of concentrating the anti-foreign feeling in China upon Great Britain, and, second, the first advance of the Kuomintang armies from the Lower Yangtse to the lower reaches of the Yellow River—a development which led the Japanese Government to land forces in Shantung for the protection of its interests along the Tsingtao-Tsinanfu Railway. This Japanese move touched Chinese feelings on a sensitive spot, and revived the bitterness which had been aroused by the earlier controversy over Shantung between 1915 and 1922. The bitterness has been increased again this year, when the renewed advance northward of the Kuomintang armies has been met by the renewed dispatch of Japanese troops to Shantung, with the consequence, this time, of a serious collision between the two nations at Tsinanfu. Since then, Sino-Japanese relations seem to have been going from bad to worse. Japan has intimated that she will not allow the victorious Kuomintang armies to follow up their defeated Northern opponents beyond the Great Wall into Manchuria. The Kuomintang Government has denounced, unilaterally, the existing "unequal" commercial treaty between China and Japan (as well as several treaties of the same class between China and other Powers). And now the Japanese Government has retorted to this by advising Chang Tso-lin's son and successor in the command of the Fengtien army to discontinue the negotiations into which he had entered for an understanding and a collaboration with Nanking.

Thus, at the moment, Japan has eclipsed Great Britain in the bad graces of the Chinese people, while the United States, which has always been relatively popular, has also recovered the diplomatic initiative. How, in this situation, does Great Britain stand? This question was the subject of an important discussion in the House of Commons last Monday. In the course of this discussion Sir Austen

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Chamberlain made the satisfactory statement that, "as regards Manchuria, we do not recognise Manchuria as anything but a part of China. We recognise that Japan has a great interest in Manchuria.....but our interest is a united China under one Government, which can take obligations and keep obligations, and with which we can negotiate a friendly settlement and maintain friendly relations." In reply, however, to the criticism that he had allowed the diplomatic initiative which he had taken in 1926 and 1927 to slip from his hands, he declared his opinion that "the first step in our relations with the Nationalist Government must be a settlement of the Nanking incident" of March, 1927. In view of this declaration of present British policy, it may be well to recall briefly what this incident was and what steps towards a settlement have been taken up to now.

The incident itself was inexcusable. On March 24, 1927, when the Kuomintang troops entered Nanking, they made a deliberate and quite unprovoked attack on the foreign communities there, beginning with the British, American, and Japanese Consulates. Half-a-dozen foreigners—including two British subjects and at least one American, French, and Italian national—were murdered; foreign property, public and private, was looted; and there appears to be no doubt that the troops were under discipline and were acting under instructions. The responsibility for these instructions remains obscure, though it seems probable that they were a manoeuvre on the part of the extreme left wing of the Kuomintang with a view to embroiling the right wing with the Powers. In any case, the moderate Kuomintang Government, which was established immediately afterwards at Nanking, and which absorbed the Hankow Government last autumn, after the overthrow of the Russian Communist Mission last summer, accepted responsibility for the Nanking outrages and promised redress. And as between the Nanking Government and Great Britain, this matter was taken up in March, during a visit which the British Minister in China, Sir Miles Lampson, paid in the course of that month to Shanghai. Conversations on this occasion between Sir Miles Lampson and the then Foreign Minister of the Kuomintang Government, General Huang Fu, led to the issue of two mandates by the Nanking Government: one expressing regret for the outrages, and announcing the capital sentences, which had already been executed, upon certain persons held responsible for them; and the second declaring that the protection of foreign life and property was the duty of the Government, and instructing the provincial authorities to see to it. The issue of these mandates obviously afforded a basis for an agreed settlement of the incident between the Chinese and British Governments, and the next step would have been to embody such a settlement in an exchange of Notes. At this point, however, a hitch occurred owing to a demand on the Chinese side that the Notes should include an expression of regret for the protective barrage which British (and American) warships stationed in the Yangtse off Nanking had put up on March 24, 1927, in order to enable a party of their nationals to make good their retreat, under attack, from Nanking to the river, and that

they should also contain an acknowledgment of the need for the revision of existing Sino-British treaties. Given time, it seems probable that this hitch could have been overcome; but, unfortunately, Sir Miles Lampson had to leave Shanghai before a formula had been found. At any rate, a formula acceptable to both parties in regard to these two points actually was found in negotiations over the Nanking incident which were being conducted simultaneously between the Kuomintang Government and the American Minister in China, Mr MacMurray; and the language agreed upon seems to have saved Chinese face without causing any loss of face to the Americans. Thereupon a set of Notes embodying a settlement of the Nanking incident, as far as China and the United States were concerned, was exchanged on March 30th last, and it is this diplomatic achievement that has enabled the United States Government to take the initiative now—as may be seen from the fact that the settlement of March 30th is the subject of the first paragraph of Mr Kellogg's Note of July 24th.

In retrospect, it seems unfortunate that Sir Miles Lampson should not have had time to complete a Sino-British settlement of the Nanking incident last March, considering how near to success he appears to have come. His premature departure from Shanghai appears to have been a tactical error which has lost us the initiative which we won fifteen months earlier. But it is no good crying over spilt milk, and if we have failed to anticipate the United States, we can at least avoid undue delay in following her. In the House of Commons on Monday Sir Austen Chamberlain declared his readiness to accept a Sino-British settlement on the same terms as the Sino-American settlement, and to follow this up with a recognition of Chinese tariff autonomy and eventually with negotiations for general treaty revision. If the Government have decided on this policy—and that is undoubtedly the right decision—it would be a mistake for them to stand on their dignity and to insist on the Chinese making the first move.

RAILWAY WAGES AND SALARIES.

DURING the past week the four great railway companies and their staffs have come to one of the most remarkable agreements which have ever been effected in the labour field. By means of direct negotiation between the men and the companies it has been agreed that all wages and salaries shall be reduced by 2½ per cent. from August 1st. Even the directors' fees are to be reduced at the same rate, though this saving is a mere drop in the ocean, as the total of these fees amounts to the small sum of £104,500 a year. That this agreement should have been reached without calling into play the National Railway Wages Board, with its representation of the public, is the most striking tribute to the spirit of co-operation which has been developing in the railway industry.

The saving which will result in a full year—the period

for which the agreement has been definitely made—has been estimated in various quarters at £3,000,000. The actual amount will be somewhat less than this if revenue expenditure only is taken into the reckoning. The railway receipts for the first seven months of the year have fallen by £5,800,000, so a drop of between nine and ten millions seems probable by the end of the year. From the statements issued with the half-year's dividend declarations, some six millions will be met by savings in the cost of fuel and other economies. The gap to be bridged—if only that the modest 1927 results may be maintained—will be three to four millions. In the 4½ months the scheme will have been in operation, the cut in wages and salaries will go about one-third of the way to meet this. It is an important contribution, but still leaves two-thirds of the burden on the shareholders' shoulders.

The agreement is essentially an example of practical altruism. Owing to the operation of the eight-hour day system men who put in full work and have therefore earned, and will continue to earn, every penny of their present pay, will sacrifice some part of it to save a reduction in the income of men who do not and will not be able to earn their pay, even though a very much greater cut were made. Such conduct is very fine, but it is unlikely that it will produce a position of stability for several reasons. It fails to provide a solution of the particular problems with which the management is faced. It is too great a defiance of economic laws to pay large bodies of men much more than the value of what they produce. Further, it is not human nature for men to accept indefinitely less than the market price of their labour. It is to be hoped that the year will be used by both parties to thrash out solutions, which will rest on a more assured basis.

The proposals originally put forward on behalf of the railway companies had no more prospect of permanency than the simple plan accepted, and it is difficult to believe that the railway managers had any expectation that such a proposal as the cancellation of extra pay for night duty, overtime and Sunday duty would win acceptance, or indeed was really desirable. On the other hand, there is a strong case for the abolition of the guaranteed day, and the substitution of a guaranteed week in many grades. The men themselves have in some cases asked for this. In shed work five days of 8½ hours and a short day on Saturday are a normal arrangement. The men like it, and it makes a great difference to the cost of the work. It is not at all improbable that drivers, firemen and guards would be equally content to work their 48 hours a week in five shifts of about 9½ hours each as in six shifts of 8 hours. The rigidity might also be modified to allow three shifts of 9 hours and three of 7 hours. Any one who has tried to arrange the work for these grades will know how impossible it is to arrive at an exact number of hours of work, much less the same exact number in all cases. The rigid eight hours results in men being paid for time when they do no work because the work is completed or for time when they are travelling as passengers to supply relief. If it is suggested that the question of safety may arise, the answer can be given that within the limits suggested above there is not one tittle of evidence that the working would be less safe, provided the eight hours' limit is maintained where the work is exceptionally intense, as in the case of long runs of high-speed express trains.

Whilst in some cases both parties might be expected to reach an agreement without much difficulty, the problem of the lines of light traffic is difficult. These lines have no value save that of feeders. But some are in so desperate a condition that even if all the receipts from traffic arising or terminating on the line be credited to that line without any regard to where the revenue is really earned, the amount will be insufficient to pay the costs of operation and maintenance. In one case the deficiency is known to run into upwards of five thousand pounds a year. Two and a half per cent. on the salaries and wages would not produce one thousand pounds. The problem of what to do with the line remains unaffected for all practical purposes. Here is a case where the general percentage reduction is wholly inadequate. At dozens of country stations the staff in an eight hours' day do not do four hours of work. The men attending to the level

crossings on those lines work even less of their time. Here we have a number of men who produce less value than the amount that has to be paid out to them. Neither the railway companies nor the nation can submit to this indefinitely now that there is the alternative of road transport. There are several possible solutions, but all involve either the dismissal of workers or a great modification in their hours and conditions of service.

It is inconceivable that such a statesman as Mr J. H. Thomas, in conjunction with the general managers, cannot arrive at solutions of these and similar problems during the next twelve months. All that is wanted is that they should bend their minds and energies to finding solutions, and that there should be the will to co-operate, which has been so evident in the recent negotiations. Above all neither side must adopt the attitude that in regard to this or that they regard the present position or any single proposal as a law of the Medes and Persians, which cannot be altered.

To the men it may be pointed out that in no other country in Europe is the interpretation that they put on the meaning of an eight hours' day accepted on the railways. Many countries claim that their railways have adopted the principle of the eight hours' day, but in practice it is a 48 hours' week, or eight hours of work, not of duty, or an eight hours' day which can be expanded to nine under some circumstances—anything, in fact, but the simple straightforward eight hours' day which is known here. On the railway companies it should be urged that the utmost publicity should be given to the facts and that no changes should be asked for which are not supported by a full explanation of the position, supported by figures which the men should have every opportunity of verifying. Under such conditions the public may be trusted to see that the men are not oppressed, and that the railways receive fair play. The coming twelve months may prove the most critical in the history of our railways. There is no reason why they should not emerge from it, the crisis ended, with a much improved future ahead.

THE CABLE-WIRELESS MERGER.

At the end of last year a Conference was appointed, "to examine the situation which has arisen as a result of the competition of the Beam Wireless with the Cable Services," and its membership was representative of the Governments of the autonomous States of the British Empire and India. Its Report, which has now been issued, propounds a scheme with three stated objects:—(1) To secure all the advantages to be derived from unification of direction and operation. (2) To preserve for the Governments concerned control over any unified undertaking which may be created, in order to safeguard the interests both of the public and of the cable and wireless users. (3) To secure these desiderata at a minimum cost to the Governments. To this end the principal recommendation is the formation of a Merger company to acquire the shares of the Marconi Wireless, and Eastern, Eastern Extension and Western Extension Telegraph companies. The effect of this merger on the shareholders in these companies is discussed in our Stock Exchange section on a later page of this issue. But the proposals also raise questions of broad public importance. The vast size of the organisation foreshadowed in the report, and the complexity of the details, may divert public attention from some of the factors involved. The establishment of a Communications Company, within the Merger, to separate the interests of communications from other interests, is an ingenious device to overcome the central difficulty. For the Marconi Company has manufacturing and other interests, and the Eastern group have investment and other interests which ought not to be included within the orbit of a public utility company having a special relationship with the State. The capital of this communications company, as stated by the committee, seems to represent reasonably the assets, so far as can be seen, and fixing it at £30,000,000 does something to bring the vast scheme within the range of actualities so far as Imperial connec-

tions are concerned. Obviously there are many questions to be settled in this respect, and the fundamental arrangement of the primary dividend at 6 per cent is not extravagant. The price paid for the cables to be taken over cannot be said to be onerous, but the charges for leasing the "Beams" do seem to be a good bargain for the Post Office. An annual sum of £310,000, plus 12 per cent. of the increase in profit after April, 1931, seems to be a heavy charge when one remembers the small amount of capital involved in erecting the beam stations. In itself this is a pretty clear indication of the value of the Beam system in competition, and may be taken as the measure of the cable companies' fears. There are other indications in the report. It is definitely stated that even at the lower tariffs charged the Beam services are making a considerable profit, and that further reductions in the tariff are quite practicable. Indeed, it is at this point that the scheme is most vulnerable. The arrangement to divide the excess profit as between the reduction of the tariffs, "or such other purpose as the advisory committee may approve," and the increase of profits, hardly gives much ground for hope. The Report directs itself much more to the prevention of an increase in tariff than to the achievement of further reductions. It is an interesting conjecture whether, with the Merger in force during the past few years, there would have been the present tariffs. Not without a touch of humour the report tells us that there has been no crisis on the Canadian route, for the same tariff has been charged on wireless as on cables. In other words, the Imperial use of the Beam to reduce rates was thwarted in respect of Canada.

It would seem that the Report offers a disappointment in respect of the Government control of tariffs. The Advisory Committee is very shadowy, and is totally different from anything of the nature of a Public Service Commission. Nothing is promised of the nature of a supervision of tariffs, or a periodical overhaul. It has been confidently stated that with a very small capital outlay the Beam stations will be able to add telephone to telegraph communication. In that case should not the telegraph tariff be lowered? Indeed, should there not be some means of assuring the public that, while there is a legitimate case for protecting the cables, that protection should not go so far as to stand in the way of further achievements of science being brought to the benefit of the public? It may be that the fact will be realised that the cost in capital and in working is precisely the same whether the routes are to Australia or to Canada. Distance is not a factor. Hence it might appear that for certain types of telegrams a flat rate throughout the Empire might be appropriate. Admittedly it would not be fair to introduce a flat rate for every class of telegram, since a reasonable protection of the cables will bring into the foreground the need for a parallel recognition of distance, but for a cheap type of letter-telegram there is an excellent opportunity to use the remarkable economic fact that by beam wireless it costs precisely the same to telegraph over any distance. This point is mentioned rather as an illustration. The temptation to the Merger will be to crystallise tariffs as between cables and wireless at their present levels. In other words, the scheme, with all the excellence of its intentions, may be rather a protection for cables than an Imperial development of the later successes of wireless telegraphy and telephony.

There is another criticism. Clearly the Merger is not a monopoly. The Eastern Company is to continue its pooling arrangements with the Indo-European Company, but that company is not in the Merger, and will carry Imperial traffic. The addition of the West Indian group brings the comprehensiveness of the scheme nearer to the ideal, but some further information should be forthcoming as to the Australian and Indian and South African companies. "The present beam rates yield a very high profit, and these rates could be substantially reduced and still give a handsome return on the capital invested in the beam undertakings. It follows that the beam services could always afford to undercut the cable rates, and if competition were unrestricted could render the cable systems unremunerative." But we do not see what is to happen to the separate wireless companies if competition is to be restricted, and they are allowed to continue to get the "handsome return." Nor is it clear what is to happen to routes which

may be required to other portions of the Empire. We noticed the other week the opening of a route to Kenya at rates much below the cable rates. Is this route to pass to the Merger? These questions are raised because we are at a critical stage in the history of Imperial communications, and it is of the utmost importance that the new arrangement should be carefully examined before it is accepted as a perfectly satisfactory solution of a great problem.

LANCASHIRE COTTON TRADE.

(BY OUR MANCHESTER CORRESPONDENT.)

DURING the last three months the demand for cotton yarn and cloth has not shown any definite improvement, and the sales have been much below the requirements of spinners and manufacturers. Curtailment of production, therefore, although not on an organised scale, has been considerable, and a large amount of unemployment amongst the operatives continues to exist. If anything the difficulties of producers have increased in intensity, and from a financial point of view the industry is in a worse position than at any time since the depression began in 1920. There is still an absence of bulk trade in standard goods, and although spinners of fine yarns and makers of fine cloths continue to hold their own fairly well there has not been the slightest indication of a more favourable situation for firms engaged on coarse and medium cloths. Competition in the outlets of the world is very severe, and Lancashire producers are undoubtedly seriously handicapped by high overhead charges.

An upward movement has shown itself in raw material prices, this development being due to less satisfactory news with regard to future supplies. On March 31st the quotation for middling American cotton on the spot in Liverpool was 10.77d. There was an advance during April to 11.71d on the 28th. After a further rise on May 1st to 11.96d a slightly easier tendency prevailed, the quotation on May 17th being 11.44d. There was comparatively little change during the remainder of that month. By the middle of June a further decline had taken place to 11.20d on the 13th, but a stronger feeling then prevailed, the figure on the 29th being 12.49d. The price on Monday last (July 16th) was 12.08d. The new crop in the United States has not made good progress. There have been many complaints of excessive rains in most parts of the belt, and the growth is late. In the circumstances there have been fears of the production being less than the probable world requirements. On July 9th the American Government estimated the acreage at 46,695,000 acres, an increase of 9.4 per cent. on the same report a year ago, and an increase of 11.4 per cent. on the revised figure for last year. The statement was distinctly bearish as most private firms had estimated an increase of only 5 to 6 per cent. The crop is in urgent need of a spell of warm dry weather, and until this is experienced there is bound to be much anxiety as to the ultimate yield. A factor of importance, however, is that world consumption tends to decline, and it is anticipated that the requirements of users during the second half of the current season will have been much smaller than in the first six months.

With regard to Egyptian cotton, the quotation for fully good fair Sakellaris on the spot in Liverpool on March 31st was 20.15d. By April 28th there had been a rise to 21.35d, with a further advance to 21.75d on May 8th. After wide fluctuations an easier movement prevailed early in June, the figure on the 13th being 20.30d. By the 29th, however, the price had reacted to 21.30d. The figure on Monday last (July 16th) was 19.85d. Recent reports relating to the new Egyptian crop have been generally favourable, and there is an anticipation of an increase in the area under cultivation of about 5 per cent.

Throughout the three months the demand in piece goods for abroad has been very disappointing. On one or two occasions rather more activity has been met with, but there has not been any general buying movement, and

most manufacturers have had to struggle hard to prevent losses. For India most of the buying has been in the lighter styles of bleaching descriptions and fancies. Producers of dhooties, mulls and jaconets have experienced some relief, but wretched prices have had to be accepted. There have been more attempts at transactions in grey shirtings, especially for Calcutta, but orders worth mentioning have been isolated. The monsoon season is progressing on right lines, but there are reports of dealers in the bazaars not meeting with satisfactory clearances. The news from China has varied from week to week. On the whole, there has been an improvement in the sales at the auctions in Shanghai, and this development has resulted in rather more orders being placed in Manchester, chiefly in bleached shirtings and printed and dyed goods. Only moderate support has been given by exporters to Singapore and the Straits Settlements. The markets of Egypt and the Near East have been very disappointing, and there has not been any general activity for Central and South America. Compared with earlier in the year, business for the Continent has fallen off. The demand in artificial silk and cotton mixture cloths has met with a setback, and many firms are handicapped by heavy stocks. Employment in the weaving districts is very irregular, but recently there has been some improvement in the number of looms running in Blackburn and district.

The following is a comparative table of cloth shipments from the United Kingdom during the six months ended June for the last three years and for the pre-war year of 1913:—

	Yards.	£
1913	3,582,788,800	48,756,738
1926	2,040,057,600	62,411,835
1927	2,075,688,800	53,823,824
1928	1,932,589,100	53,534,278

Further ground has been lost by spinners of American yarns. The sales have been very poor, the total output being reduced until it is now only 70 per cent. of full capacity. This increased restriction of production is largely due to a number of mills closing down for an indefinite period. At the end of June the Masters' Federation recommended that output should be cut down to half-time working. In the ballot which was then taken it was stipulated that the scheme would not be put into operation without the support of the owners of 90 per cent. of the spindles affected. When the figures were tabulated the votes in favour were much below the required majority, and it was decided to defer the matter until an attempt had been made to secure a definite decision from those firms that had not taken part in the ballot. On July 10th, however, the proposal was definitely abandoned, as less than 80 per cent. had then expressed their willingness to run short time to the extent of 50 per cent. Most of the demand in export yarns has run on small lots, although now and again fair lines have been booked for India. It has been an unsatisfactory period for spinners of Egyptian yarns, buyers having purchased sparingly, and this section is in a less satisfactory position than three months ago.

The following is a comparative table of yarn shipments from the United Kingdom, the figures being given for the six months ended June for the last three years and for the pre-war year of 1913:—

	Lbs.	£
1913	106,409,000	7,512,062
1926	87,905,600	11,487,626
1927	106,758,800	11,872,383
1928	87,079,400	11,713,236

During the past quarter labour questions have been prominent. An event of importance has been the withdrawal of the demand of the employers for a reduction in wages of 25 per cent. on list rates, which is equal to about 12½ per cent. on current earnings. When the members of the Spinners' Federation were asked to close their mills if necessary to enforce the demand, less than 67 per cent. in the American section and less than 29 per cent. in the Egyptian section expressed their willingness to lock out the operatives. A similar result took place in the weaving branch. Towards the end of May serious trouble arose at a weaving shed in Nelson through the discharge of an operative. The weavers employed by this

firm demanded his reinstatement, and as this was refused they came out on strike. The dispute dragged on, and a little later all the employers in Nelson locked out their workpeople, resulting in 55,000 looms being stopped and about 16,000 operatives being idle. The central organisation of the employers in Manchester decided to give the firms stopped financial support. Since then negotiations have taken place to effect a settlement, and the dispute has now been brought to an end, the trade union having spent its accumulated funds in strike pay without achieving any success.

Conditions in the Manchester market during the last few weeks have been more depressing than for a very long time back. The absence of workable demand has caused much comment. To some extent the dullness is due to buyers distrusting present prices, and it is not unusual for a waiting policy to be adopted at this time of the year, when so much uncertainty exists as to future rates for raw cotton. On the other hand, it is exceedingly difficult for Lancashire manufacturers to compete successfully in world markets. No real revival of trade is in sight, but it is reasonable to anticipate a freer buying movement in manufactured goods in the early autumn. Great attention is being centred at the moment on finance, and it is feared that many firms will not be able to escape very serious difficulties.

COPPER INDUSTRY IN AMERICA.

(BY A NEW YORK CORRESPONDENT.)

As compared with eighteen months ago, improvement in the copper industry is more marked than in any of the other major industries in this country. Copper companies, almost without exception, are earning more money than they were last year, and the prospect of maintaining their gains until the end of the year is fairly good. Last year the average price of copper was 12.92 cents a pound, and for the third successive year deliveries of copper to consumers exceeded those of any previous year. Meanwhile, producers, after running at a high rate in the early months, curtailed operations later in the year. The price of copper, which reached a low of 12.425 cents a pound in July, 1927, thereafter improved to a high of 14.138 cents a pound in December, and stocks of copper in all forms in this country and Europe decreased by about 50,000 tons.

This year consumption has continued to increase, further eating into stocks, inasmuch as production has not made a corresponding gain. Stocks on hand last spring were estimated at around 640,000,000 pounds, the smallest since the world war, and a reduction of about 200,000,000 pounds in less than two and a-half years. Copper, meanwhile, was then selling at 14½ cents a pound, and the same price was current a few days ago. While the copper industry is thus a great deal better off than it has been for a good many years, it must be remembered that potential production is much larger than any conceivable nearby demand. Each step upward in the price of the metal will tend to bring into production the higher-cost mines which now find operation unprofitable. At the same time, advances will increase the operating rate of the low-cost producers. A happy medium which will probably be struck, however, is a price level which makes good profits for the leading producers without flooding the market with copper. The increase in world output from 146,000 short tons in April to 160,000 short tons in June is some measure of the point at which equilibrium is being established.

Two great copper interests dominate the situation in this country. They are the Kennecott Copper Mining Company and affiliated companies and the Anaconda Copper Mining Company group. Each group controls about one-sixth of world production of copper. In the Kennecott group are the Kennecott and Motherlode mines in Alaska, now nearing exhaustion; the porphyry group, of which Utah is the largest and lowest-cost producer, but which also numbers the combined Nevada, Ray, and Chino properties; and the great Braden mines in Chile. Anaconda comprises the Anaconda mines at Butte, moderately high-cost producers, and the Chile Copper Company and Andes Copper Company mines in South

America, which are low-cost producers. In addition, Anaconda owns a substantial interest in Inspiration mines and the Greene Cananea mines in Mexico, which recently have discovered extensive new ore bodies, and owns the American Brass Company.

Anaconda is the most completely integrated of all the copper companies, has a large-scale output of other non-ferrous metals, and operates its own smelters. In point of earnings and extent of operations, the next important copper company in this country is the American Smelting and Refining Company. American Smelting is primarily a refiner of metals, but it also has a large production of copper, lead, zinc, silver, and other non-ferrous metals. The company also markets copper for other producers.

The uncertainties of profits on low-price copper for any but the low-cost producers are illustrated by the results obtained last year by Anaconda and Kennecott. Production from the Alaskan, South American, and Utah Mines of Kennecott, but not including equity in Nevada and Motherlode properties, amounted to 470,715,831 pounds, and the company reported net income, after depreciation charges, of \$6.23 a share on 4,516,000 shares of stock, as against \$5.80 in 1926.

The Anaconda group did not do so well on low-price copper. Output at the Butte, Montana, and South American mines was 491,000,000 lbs, not including equity in Inspiration and Greene Cananea mines. Earnings amounted to \$3.37 a share on 3,000,000 shares, as compared with \$4.74 in the previous year. Comparative earnings of the past three years for the principal copper companies having shares listed on the New York Stock Exchange follow:—

	Net Income Before Fixed Charges. (Thousands of \$.)			Earnings per Share.		
	1925.	1926.	1927.	1925.	1926.	1927.
American Smelting.....	17,779	20,329	17,985	19.17	23.38	19.64
Anaconda.....	28,028	24,486	23,506	5.85	4.74	3.37
Cerro de Pasco.....	6,016	4,551	3,644	5.36	4.05	3.26
Chile Copper.....	14,179	13,895	13,449	2.72	2.65	2.51
Greene Cananea.....	590	584	581	1.18	1.17	1.16
Inspiration Consolidated ..	1,817	1,311	730	1.44	1.11	.62
Kennecott Copper Corp.....	24,926	26,756	28,637	5.34	5.80	6.23
Miami.....	1,122	1,138	1,142	1.50	1.52	1.53
Nevada Consolidated.....	2,697	6,832	5,744	1.35	1.66	1.18
Utah Copper Co.....	11,104	13,809	14,587	6.84	8.50	9.00
U.S. Smelting.....	3,704	3,524	3,477	3.42	3.81	3.79

Net income shown for Kennecott and Anaconda includes that of subsidiaries, namely, Motherlode, Nevada, Utah, and Braden for Kennecott, and Chile, Andes, American Brass for Anaconda. Certain other smaller subsidiary company earnings also are included in both reports.

Most of the copper companies have no bonds outstanding, and few of them have preferred stocks. Common shares, for the most part, have first and sole call on the earnings, which in recent years have been irregular enough. Anaconda, however, has a large bond issue, the result in part of financing the acquisition of the American Brass Company and of consolidation of other properties a few years ago. Anaconda's funded debt totals nearly \$174 millions. Chile, an Anaconda controlled company, also has an issue of bonds, about \$35 millions now outstanding. American Smelting and Refining has about \$43 millions in bonds and a preferred 7 per cent. stock issue, but this company is primarily a smelter and refiner. A comparison of invested capital, approximate fixed charges for bond interest and preferred stock dividends, number of common shares outstanding and common share dividend rates follow:—

	Invested Capital.	Fixed Charges.	No. of Common Shares.	Common Div. Rate (Annual).
	(Thousands of \$.)	(Thousands of \$.)		\$
American Smelting....	18,564	6,007	610,000	8.00
Anaconda.....	451,828	13,382	3,000,000	3.00
Cerro de Pasco.....	59,012	..	1,123,000	4.00
Chile.....	154,494	1,750	4,415,000	2.50
Greene Cananea.....	55,461	..	500,000	..
Inspiration.....	36,760	484	1,182,000	..
Kennecott.....	270,260	509	4,516,000	5.00
Miami.....	17,276	..	247,000	1.50
Nevada.....	81,989	388	4,855,000	1.50
Utah.....	80,609	..	1,624,000	6.00
U.S. Smelting.....	69,513	2,148	351,000	3.50

With the exception of Greene Cananea, which was for months a favourite of speculators as a result of discovery of new copper deposits, the copper shares were not overbought to the same extent as most other industrials. They have consequently been steadier in the late spring decline. The following table shows the position on July 13th:—

	Price per Share.	Yield per Cent.
American Smelting	188*	4.3
Anaconda.....	66*	4.6
Cerro de Pasco.....	74	5.4
Chile.....	44½	5.6
Greene Cananea.....	98	..
Inspiration.....	21½	..
Kennecott.....	92½	5.4
Miami.....	20	7.5
Nevada.....	22	6.8
Utah.....	165	3.6
U.S. Smelting.....	46	7.6

* Ex. dividend.

These statistics are based upon the 1927 share earnings, and must be interpreted in the light of the belief that prospects for higher dividends are better than those in the majority of other industries.

Notes of the Week.

The Anglo-French Naval Agreement.—Sir Austen Chamberlain's announcement, in the House of Commons last Monday, of a preliminary Anglo-French naval agreement was good news. The immediate effect should be to remove the *impasse* in the proceedings of the League of Nations Preparatory Disarmament Committee, which had arisen owing to a failure of the French and British delegations to agree upon the method by which naval tonnage should be calculated for the purpose of the limitation of armaments. The ultimate effect may be to provide a basis for the re-opening of negotiations on naval disarmament between Great Britain and the United States, since the issue between the British and French Governments, which has now been settled by a compromise, bears some resemblance to the issue on which the Three-Power Naval Conference broke down last summer. On the Preparatory Disarmament Committee the French contended that only the total naval tonnage of each Power should be limited, whereas the British contended that the proportional division of the total tonnage between the various categories of ships should likewise be defined. As a Power whose Navy is burdened with exceptionally heavy demands upon it for purposes of defence, Great Britain is naturally and legitimately anxious that other Powers who, for various reasons, need to devote less strength to defence, should not on that account be left free to concentrate a greater proportion of their naval strength upon types of vessel and armament which are suitable mainly or entirely for offensive operations. That has been the gist of our misunderstanding with France as well as with the United States, and it now appears that France has agreed to accept the principle of limitation of tonnage by categories as well as by totals, on condition that the number of categories shall be limited to four: The bearing of this upon the Anglo-American controversy over categories of cruisers is evident, and the new Anglo-French agreement is important from this point of view, as well as in itself. The one slightly disturbing feature is a rumour—and it may be an unfounded rumour—from Paris to the effect that, in exchange for this naval concession on the French Government's part, the British Government has made some unspecified concessions concerning the strength and disposition of French armed forces on land. If such a concession has really been made, and if by any chance it touches upon the occupation of the Rhineland, it might be a doubtful bargain. But we cannot discuss the bargain profitably until we have more light upon its terms.

Britain and the Kellogg Pact.—The Kellogg Pact was the subject of further discussion last Monday, when the House of Commons went into Committee of Supply on

the Foreign Office Vote. In estimating the practical efficacy of the Pact, Sir Austen Chamberlain made the shrewd observation that this would probably depend, not on any engagement taken by the United States Government, but on how the rest of the world thought the United States were going to judge the action of an aggressor, and whether they would help him or hinder him in his aggression. "If the American nation ranged itself behind its own treaty, then indeed the signature of its treaty would be an additional and a most formidable deterrent to war." In regard to the British Government's policy towards the Pact, the Foreign Secretary had to meet a number of criticisms; but it was evident that the declaration of a "British Monroe Doctrine" was the point which had aroused most misgivings in this country. Sir Austen sought to defend this declaration by suggesting that the United States Government had no notion of renouncing its own Monroe Doctrine in proposing the conclusion of the Kellogg Pact, and that the equivalent British doctrine "was not one of aggression, and not a desire for territorial expansion, but a pure measure of self-defence." Upon this Mr Lloyd George very pertinently remarked that the American Monroe Doctrine had a well-known geographical limitation, whereas the new British doctrine was vague and indefinite. This point is very important, for this geographical limitation of the American Monroe Doctrine is an essential feature of it, and it was precisely this limitation which originally made the doctrine tolerable to the world at large. The United States may now be strong enough to insist on the doctrine in any form or scope that she chooses, without regard to the rest of the world; but it would be an error to assume that Great Britain is in a position to do likewise or that, if she were, that attitude would be a desirable one for her to assume in the present state of international affairs. We have not heard the last of this British Monroe Doctrine, and the Government would be well advised to take to heart Mr Lloyd George's warning that it may be called in question when the Kellogg Pact is reviewed by the Senate of the United States. We regret that the doctrine has been declared at all, but if the Government, having declared it, feel that they cannot go back, we suggest that they ought at least to give a public notification of the areas to which it is intended to apply. This might, indeed, be more wounding than the present vague declaration to the susceptibilities of the countries actually envisaged—Egypt, for example—but it would forestall the danger of greater misunderstandings with other signatories of the Pact. Mr Lloyd George also deprecated the establishment of the doctrine that the interpretation of what constituted self-defence was entirely a matter for each individual country, and regretted that the interpretation of this question should not be included within the purview of those questions which had to be settled by the League of Nations or by the arbitration machinery of the Locarno Treaties. This brings us back to the old problem of "defining the aggressor." It was because it made a serious attempt to grapple with this problem that the Geneva Protocol of 1924 failed to secure acceptance. The Kellogg Pact will not take cognisance of the problem, and the Kellogg Pact seems destined to attain consummation. This does not necessarily mean, however, that the problem has been disposed of. Sooner or later, it may confront us again; and the longer we decline to face it, the more formidable we are likely to find it if a crisis arises in which it will not be denied.

The Broad View.—One of the dangers attending the modern form of the fiscal controversy is that the plain man often finds the wood obscured by the trees. The application of safeguarding to a few trades, especially at a time when world prices were falling, has called into existence a new mass of evidence, much of which is of a most misleading character. Moreover, side by side with some moribund or stationary industries which to-day enjoy the dubious benefit of safeguarding there are two or three that are enjoying rapid progress on account of the trend of current development and invention—one might almost say the trend of time itself. In this class are to be found the motor trades, artificial silk, and to a

lesser degree the gramophone trade. This fact makes confusion even worse confounded than before, and this is our main criticism of much of the evidence contained in the recent "Safeguarding of Industry" Supplement published by the *Daily Telegraph*. The majority of the facts cited therein may, *prima facie*, be true. Dig beneath their surface and their truth disappears. All this simply adds to the one undeniable truth in this controversy, and this is that the question must be regarded from the broad standpoint. It is idle to pick out this trade or that trade and neglect the need for increasing the aggregate volume of national trade. For that reason a broad declaration of the national needs, such as that contained in the recent manifesto on the "Depression of British Basic Industries," signed by numerous representatives of the producing, commercial, and financial interests of the country, comes as a welcome blast of fresh air. The manifesto restates, in broad, simple language, the Free Trade case, and calls upon the Government "to support in every possible way any movement in the direction of International Free Trade." It very properly emphasises that "no country is so dependent as this upon the free exchange of goods. So far as we succeed in preventing other countries from selling to us, we prevent them from buying from us." To summarise another sentence of the manifesto, any artificial expansion of sheltered industries is not a cure for unemployment, but a cause of it. In short, collect the evidence by all means, but plumb its real significance, and apply it in a broad, comprehensive view, rather than in a partial one.

Cotton Trade Dispute Ended.—The threatened lock-out of roughly 150,000 operatives in the spinning section of the Lancashire cotton industry has been averted owing to a settlement being arrived at with regard to the dispute at the Ramsey Mill, Oldham. The operatives struck work over a week ago owing to the refusal of a spinner to join the union. This operative's membership had lapsed, and the union officials decreed that he should rejoin as a new member, whereas the worker was prepared to pay the subscriptions due provided that he retained his previous benefits. The employers' organisation took drastic action in the matter, and posted lock-out notices, which would have come into effect on August 11th. With the settlement of the dispute, the fuller circumstances of which were discussed by our Manchester correspondent in last week's *Economist*, however, these have been withdrawn, and work at the mill has been resumed.

Our Index Number.—The downward movement of prices made further progress last month, our Index Number falling from 3963 to 3892. This figure compares with 3887 six months ago, and 4002 at the end of July, 1927. As will be seen from the following table, the greater part of the decline recorded last month was due to a marked fall in prices of primary foodstuffs:—

Date.	Cereals and Meat.	Other Food Products (Tea, Sugar, &c.).	Textiles.	Minerals.	Miscellaneous (Rubber, Timber, Oils, &c.).	Total.	%
Basis (avg. 1901-5) ..	500	300	509	400	500	2200	100.0
End July, 1915	579	352	616	464	553	2565	116.6
Nov., 1918	1289	782	1848	903	1389	6212	282.6
Mar., 1920	1508	914	2974	1246	1709	8352	379.6
Dec., 1921	1344	805	1284	1216	1275	5924	269.3
Dec., 1922	921	636	1106	762	931	4357	198.0
Dec., 1923	861	706	1184	705	807	4264	193.8
Dec., 1924	853	815	1382	774	755	4580	208.2
Dec., 1925	992	789	1452	815	806	4855	220.7
Dec., 1926	936	679	1120	733	782	4251	193.2
Dec., 1927	875	736	859	773	731	3975	180.7
June, 1927	913	716	1007	662	705	4004	182.0
Sept., "	860	748	1098	617	713	4038	183.5
Dec., "	845	716	1029	620	733	3945	179.3
Jan., 1928	839	685	1031	609	722	3887	176.7
Feb., "	852	700	1050	594	723	3921	178.2
Mar., "	882	676	1087	598	723	3967	180.3
Apr., "	913	669	1100	602	754	4039	183.6
May, "	948	655	1096	609	724	4034	183.4
June, "	893	647	1103	601	718	3963	180.2
July, "	837	644	1088	602	720	3892	176.2

* Revised figure.

In the cereals and meat section the largest movement was a seasonal decrease in the price of potatoes. Foreign wheat, flour, oats, and beef were also appreciably cheaper. In the textile group prices of raw cotton, and also, to a smaller extent, of yarn declined. Jute registered a moderate advance. Mineral prices showed little change, and there was no important alteration in the "miscellaneous" group of commodities. In the next table we give the increases and decreases recorded by the individual commodities' index numbers as compared with the end of June, the figure 50 representing in each case the average for the basic period 1901-5:—

	Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.
Wheat—For.	84	— 5	Cotton, A	105	— 5	Copper	52	..
English	84	— 1	Cotton, B	136	— 3	Minerals	602	+ 1
Flour	74	— 8	Yarn	101	— 3	Baltic timber	93	..
Barley	81	— 3	Cloth	112	— 3	Amer. timber	73	..
Oats	94	— 7	Wool, Eng.	144	..	Leather	75	— 1
Potatoes	81	— 31	Do Aust.	107	— 2	Petroleum	87	..
Rice	102	— 2	Silk	68	..	Oils	79	+ 1
Beef	72	— 8	Flax	138	..	Oilseed	66	+ 2
Mutton	84	— 3	Hemp	52	..	Tallow	67	..
Pork	80	— 9	Jute	113	+ 5	Indigo	76	..
Cereals & meat	837	— 56	Textiles	1,088	— 15	Crystals	85	..
Tea	125	— 4	Pig-iron	71	..	Rubber	12	+ 3
Coffee	133	..	Steel rails	71	..	Miscellaneous	720	+ 1
Sugar, cane	91	— 1	Iron bars	79	..	Total	3,892	— 1
Sugar, beet	94	— 1	Coal, steam	92	— 1			
Butter	84	+ 3	House coal	61	..			
Tobacco	116	..	Lead	89	..			
Other foods	644	— 2	Tin	86	+ 3			

In the final table the figures of our Index Number are shown recalculated on the basis of prices ruling at the end of July, 1914. The increase over the pre-war level thus arrived at is now 51.7 per cent., against 56.1 per cent. a year ago:—

End of—	Cereals & Meat.	Other Food.	Textiles.	Minerals.	Miscellaneous.	Total.
July, 1914	100	100	100	100	100	100.0
Dec., 1918	226	222	293	186	241	237.5
Mar., 1920	261	260	484	269	309	325.6
Dec., 1921	233	229	209	261	230	230.9
Sept., 1922	151	194	181	150	148	163.3
Dec., 1923	148	231	225	167	136	178.6
Dec., 1925	162	193	182	158	141	165.8
Dec., 1926	151	209	139	167	132	155.0
June, 1927	158	204	163	143	127	156.1
Sept., "	149	213	178	133	129	157.4
Dec., "	146	204	167	133	132	153.8
Jan., 1928	145	195	167	131	131	151.5
Feb., "	147	199	170	128	131	152.8
Mar., "	152	192	176	129	131	154.7
Apr., "	158	190	178	130	136	157.4
May, "	164	186	178	131	131	157.3
June, "	154	184	179	129	130	154.7
July, "	145	183	176	130	130	151.7

As compared with the position at the end of July, 1927, prices of food and minerals have fallen, whereas textile prices are fractionally higher. The index figure of the last-named group is strikingly higher in relation to other materials.

Idle Tonnage.—The latest return issued by the Chamber of Shipping reveals a considerable increase in the tonnage of idle shipping in ports of Great Britain and Ireland. On July 1, 1928, there were 495,866 net tons of shipping laid up—this figure representing an addition of 132,511 net tons since April 1st, and comparing with a total of 420,164 net tons out of commission a year ago. Alterations in the volume of "frozen" tonnage during recent years in ports of this country (all but a negligible proportion of the vessels being British-owned) are illustrated in the following table:—

	Laid Up Tonnage (000's Net Tons.)			
	1924.	1925.	1926.	1927.
January	630	488	408	365
April	410	393	360	240
July	470	777	860	420
October	334	574	371	273

During recent years, it will be observed, there has been a marked tendency for the tonnage of idle British shipping to increase between April and July—a tendency explained by the fact that charter rates normally fall in the second quarter of the year. The average level of whole-cargo freights, as measured by the *Economist* freight

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index number, has fallen during the past three months by approximately 2 per cent., following a decline of 10 per cent. in the first quarter of the year. Between April and July, 1927, freights fell by 10 per cent., and in the corresponding quarters of 1925 and 1924 there were registered declines of 15 per cent. and 11 per cent. respectively in our freight index number. Thus the present increase in idle tonnage—a reflection of weakness of freights in the first, rather than the second, quarter of this year—should be regarded not wholly as an indication of a positive setback in the shipping trade (though last year's improvement has clearly been temporarily arrested), but partly as a seasonal fluctuation of no very serious significance. When regard is had to the large addition of new tonnage commissioned during the past twelve months—details of which were given in the *Economist* last week—it is not altogether surprising that unemployed tonnage should now stand at a figure 75,000 net tons higher than a year ago. Though the present tonnage out of commission is too high to justify hopes of any early increase in shipbuilding orders, it is well to bear in mind that the 233 vessels now laid up represent in the aggregate only 3.5 per cent. of the tonnage of the British merchant fleet—a visible surplus not extravagantly large at this time of the year.

Poor Law Relief.—The average number of persons in receipt of assistance from the rates in the form of Poor Law Relief in money and kind in their own homes, who were included in returns for May, 1928, made to the Minister of Health, by Boards of Guardians in England and Wales, is, in the following table, compared with the corresponding number in May, 1914:—

	Average Number of Outdoor Poor.			1914.
	1928.		Total.	
	Men.	Women & Children under 16 yrs.	Total.	
Relief mainly on account of—				
1. Unemployment ..	91,000	245,700	336,700	..
2. Other causes	119,500	452,600	572,100	..
Grand total all classes ..	210,500	698,300	908,800	371,800
Increase: 1928 compared with 1914				537,000

The total of 908,800 for May, 1928, is smaller by 47,800 than the total for the preceding month. The numbers given above do not include persons, totalling 11,600, who were in receipt of medical relief only in their own homes. The average amount of outdoor relief given per person was 5s 9d in May, 1928, and 2s 6d in 1914. If allowance were made for the increase in the cost of living (taken as 164 in May, 1928, as against 100 in May, 1914) the first mentioned figure would become approximately 3s 6d. During the week ended May 19, 1928, 7,927 men and 197 women who were insured under the Unemployment Insurance Acts (and 29,194 dependants of those persons) received out-relief amounting to £2,985 in addition to unemployment benefit amounting to £10,679. The total cost of out-relief to all persons during that week was £256,000. The "indoor poor," that is the number of persons (other than lunatics in asylums and casuals) in receipt of institutional relief on a day in May, 1928, is stated by the Ministry of Health to have been 219,700, as compared with 250,000 in 1914.

The Deep Sea Fisheries.—The monthly return for June completes the half-year's record of the deep sea fisheries, and this shows that the landings of wet fish (British and foreign caught), together with that imported from abroad, had a total first-hand value of nearly £10½ millions sterling, and £1,426,745 more than in the corresponding six months of 1927, as will be seen from the following table compiled from the statements of the Ministry of Agriculture and Fisheries:—

	Weight (in Cwts).		Value.	
	1927.	1928.	1927.	1928.
January-June.			£	£
British caught—				
England and Wales	5,150,686	4,931,764	5,667,287	5,884,597
Scotland	2,760,414	2,659,261	1,741,117	1,943,877
Shellfish	..	..	209,106	205,440
	7,911,100	7,591,025	7,617,510	8,033,914
Foreign caught	947,703	946,839	617,896	725,542
Imported from abroad	1,103,995	1,310,067	1,072,935	1,975,630

A noteworthy feature is that while the landings by British-owned fishing vessels at ports in Great Britain were 320,075 cwts less the aggregate value (including shellfish) was £416,404 more. The average value realised in England and Wales was 23s 10d per cwt, as against 22s, and in Scotland 14s 7d per cwt, as against 12s 7d. Put another way, the increase per unit in England and Wales was 8.5 per cent., and in Scotland 16 per cent. The landings by foreign fishing vessels were practically at the same level as last year, but it is to be noted that, coincident with reduced British landings, there was an appreciable increase in the quantity of wet fish imported from abroad of over 200,000 cwt, and £272,000 in value, these figures including Norwegian fresh herrings utilised by our curing industry. The value of fresh fish exported in the half-year was £546,038, as against £448,240, though the weight was approximately the same. Our exports of herrings (cured or salted) at 983,470 cwt were 268,876 cwt down as compared with a year ago, while the aggregate of cured or salted (not canned) at 1,315,214 cwt was 243,459 cwt behind, the f.o.b. value being £1,650,205, as against £1,736,130. The net imports of this class of fish had a value of £268,253, against £208,327. In addition, Great Britain had in the half-year net imports of canned fish of all kinds valued at £1,791,227, against £1,617,660 in the January-June period of 1927.

The Late Signor Giolitti.—With regard to the life and work of Signor Giolitti, ex-Premier of Italy, who recently died at an advanced age, our Milan correspondent writes as follows:—The financial and economic record of Signor Giolitti is of a mixed sort. He was obliged to quit the Premiership, which he held for the first time in 1893, in consequence of the so-called scandal of the Banca Romana, a note issue institution which issued double series of notes with the same numbers, and whose Governor, Signor Tanlongo, was alleged to have been appointed Senator by Signor Giolitti in return for a sum of 100,000 lire, which the Premier needed for electoral or political purposes. Signor Giolitti always denied the charge, and nothing came out of it against his personal honour. The outcome of the scandal was the law of 1893 on the note issues, which restricted the number of issue banks to three (the Banca d'Italia, the Banco di Napoli, and the Banco di Sicilia), put rigid limits to the note circulation, declared that senators and deputies could not be appointed governors or directors of the banks of issue, and took banking out of the realm of politics. As this banking reform, which put the note circulation on a sane foundation, was enacted during his Premiership, a due share of credit for it belongs to Signor Giolitti. On the financial side the work chiefly acclaimed by his friends and followers was his repeated introduction of the progressive principle in our fiscal laws, his measure monopolising (in 1911) the life insurance industry. But progressive income-tax was enacted not by him but by Signor De Stefani; and the life insurance monopoly was short lived. His great and historical achievement came in 1920, when he saved the Italian budget by the abolition

of the bread subsidy. In face of a stubborn socialist opposition, he, with his usual peasant astuteness, won the battle by a rich window-dressing, consisting of confiscation of war profits, increase of the succession taxes to almost 100 per cent for the biggest fortunes, and the suppression of all securities to bearer. Little revenue could be hoped for, and not much actually came out of this window-dressing; but the bread subsidy was abolished, and with it was cured the cancer which was bringing Italian finance to utter ruin. At the time of its abolition the bread subsidy cost the taxpayer 6,000 millions a year; and this item was the only permanent and increasing source of deficit in the Italian budget. In the social sphere, if Signor Giolitti had merely upheld the principle of equal status for employers and employed, and of the right of association and of strike for workmen, his fame would remain on sure grounds. Unhappily, he was a partisan of the "wait and see" policy up to the point of not interfering when workmen, in September, 1920, invaded industrial establishments and rural workers occupied private lands. Against the law breakers he dared not to intervene, when the law breakers were the many and the offended people were the few. In him lingered the characteristic psychology of the middle-class Piedmontese landed proprietor—suspicion of banks, bourses, industrialists, tradesmen and great noble landlords. He lived when out of office and Parliament was in recess, in a Piedmontese village, where there are no poor, no proletariat, and almost no family without land. To a man born in such an environment the only legitimate sources of income are the ownership and cultivation of land, the "personal" exercise of some industry or trade or profession, and the service of the State. Therefore he held bourses and banks as pirates' lairs, big industrialists and traders as sharks, and viewed extensive landholders with the traditional hatred of the small French peasant towards the nobility. He was wont to describe his native province of Cuneo as an ideal after which all Italy should be striving; because in Cuneo Province there were no socialist, no class hatred, no invasions of factories and of lands, no big fortunes and no proletariat. In his own village he was the friend of humble folk, who lived not very dissimilarly from the big man, who was usually their neighbour, and sometimes Premier of Italy. But Italy was, after 1900, bent on industrial transformation, and Giolitti did not like and perhaps did not comprehend industrial world problems.

Australian Labour Disputes.—Some very interesting figures which have the appearance of showing both cause and effect, are to be found in the last issue of the monthly circular of the National Bank of Australia, Limited—that for May 31st—which has just come to hand. Australian conditions generally have been hampered in their progress by the epidemic of strikes last year. It is a serious enough matter that in many instances large numbers of men left their work for trivial and unworthy reasons, but it is even more disquieting to learn that in the majority of cases, in the words of the bank circular, the strikers came out "almost entirely in opposition to awards made by the Arbitration Courts, Wages Board or Conciliatory Committees which operate through the whole field of labour." The following table of disputes and days lost tells its own story:—

INDUSTRIAL DISPUTES IN AUSTRALIA, 1927.

State.	No. of Disputes.	Persons Involved.	Days Lost.	Wages Lost.
New South Wales.....	339	148,541	1,133,963	1,230,060
Victoria	24	9,221	54,367	44,470
Queensland	30	30,234	428,135	325,884
South Australia	19	7,876	51,284	40,266
Western Australia	20	3,392	23,819	19,944
Tasmania	6	775	14,950	9,182
Northern Territory	2	338	5,163	4,753
Federal Capital	1	380	1,900	2,137
1927 totals	441	200,757	1,713,581	1,676,696

Of course, the figures merely show the actual loss to the strikers themselves, the loss to the community being incapable of being brought within the range of statistical method. The strikes would appear to have had their

natural sequence in the savings banks' returns for 1927, which are given on another page of the circular. The total deposits for the year were 193 millions, of which 191 millions were withdrawn, whereas between 1926 and 1927 savings deposits would appear to have increased by over 9 millions. While all the loss of possible savings is not due to the strikes themselves, much of it can undoubtedly be put down to the effects of instability caused by the recurrence of labour disputes which, beyond their immediate effects of stopping production, sap confidence and prevent that wholesome spread of new enterprise required to develop so great a continent with all its latent possibilities. "It is hardly possible," says the bank circular, in its able summary of the position, "that any thinking man among the ranks of the unemployed to-day does not realise that these continual disputes have undermined industry and led to the existing depression, with its widespread unemployment."

German Reparation Payments in Kind.—Our Paris correspondent writes:—Analysis of the German Reparation payment returns for the first nine months of the fourth annuity year (down to the end of May) reveal that deliveries in kind have now surpassed cash transfers as a mode of payment. Payments in kind, which during the first annuity year amounted to only 30 per cent. of the total payments made, have during the past nine months amounted to over 52 per cent. At the same time, the composition of the deliveries made has been substantially modified, and to the appreciable benefit of German interests. Coal deliveries, which during the first year constituted 70 per cent. of the payments in kind, have dropped to 38 per cent., while deliveries of dyestuffs and chemical products have fallen from 5.81 per cent. to 2.65 per cent. Deliveries of none of these goods are likely to increase in the future, while Reparation coal tonnage, in view of the general situation of the industry on the Continent, and particularly in France, is almost certain still further to diminish. The fall in the categories mentioned has been largely compensated for by a rise from 18.22 per cent. to 39.70 per cent. in the categories of products comprised under "sundries" (textile and agricultural machinery, machine tools, electrical appliances, finished iron and steel, textiles, materials for public works, &c.). The last-named category of products includes a bridge for the Danube and equipment for various French ports and other undertakings. Books and an extraordinary variety of other products into which German labour largely enters are now included in the Reparation deliveries. France alone is absorbing two-thirds of Germany's deliveries in kind, while France, Italy, Belgium, and Serbia are between them receiving 96 per cent. of the total paid in this form. During the first year Great Britain accepted about £225,000 worth of her share (or about 1 per cent. of the total paid that year) in the form of goods (against £13,000,000 accepted in this form by France); but since then we have declined this form of payment. Germany's total payments in kind during the past nine months have amounted to 215,809,365 gold marks, against 195,593,190 marks during the whole of the previous year.

Lancashire Mill Merger.—Much interest, writes our Manchester correspondent, has been taken in the announcement that the Lancashire Textile Corporation, Limited, will be registered at an early date. This will be the biggest mill amalgamation which has taken place in the cotton industry for years back. The present combine is concerned only with mills which spin American cotton. It is understood that at least 50 mills, controlling 5,000,000 spindles, will join the company, and it is confidently expected that a larger number of concerns will eventually decide to merge. The registered capital of the new company will be nominal, and it will be increased as the companies are merged, so that when the full 50 are amalgamated the total capital will be around £5,000,000. From the present board of directors an executive board will later be elected, who will be permanent officials and practical men. They will control the organisation, which

will include the buying of cotton, the purchasing of consumable stores, spinning, a sales department, both for the home and overseas trade, and will deal with the financial side of the corporation. It is unnecessary to point out the great financial economies which will accrue from the scheme of centralisation. Developments are being watched very closely by cotton spinners in Lancashire, and the promoters are confident that an even larger number of spinning firms will be absorbed as time goes on.

A Canadian Bank Merger.—Our Ottawa correspondent writes:—Announcement was made in Ottawa, on July 13th, that the Department of Finance had given the necessary consent to an agreement whereby the Canadian Bank of Commerce will absorb the Standard Bank of Canada. The shareholders of the latter will receive for each of their shares one share of Commerce stock, and by the transaction the assets of the Bank of Commerce will be increased from \$600 to \$700 millions. The bargain is profitable for the Standard Bank shareholders as the latter's stock has been recently quoted around \$277, whereas Bank of Commerce stock has been in the vicinity of \$300. Three-quarters of the 220 branches of the Standard Bank are in Ontario, and the Bank of Commerce will now have 811 branches, with only 42 duplications. The reason prominently alleged for the merger in the official statement issued by the Bank of Commerce is that the Standard Bank realised the need of developing more extensive business connections in Western Canada, but felt that the process in face of the existing competition would be slow and expensive, and decided that the best method of securing additional facilities for its customers, and gaining access to worldwide banking connections, was by amalgamation with the Bank of Commerce. This latest merger leaves only 13 banks in the Dominion, even if the new Eastern Bank of Canada, for which authorisation was secured last session, and the provincial savings banks of Ontario and Manitoba are included, and further consolidations are not unthinkable.

The Mercantile and General Insurance.—This company occupies a distinctive place in the insurance market, being a composite office transacting all classes of insurance business, including life business, entirely on a re-insurance basis. In its own special sphere, the company now enjoys a good measure of success, for under its present management the premium income has been built up on sound lines, and the profits have been conservatively dealt with. In 1927 there was a fire and miscellaneous income of £682,735, showing a profit of £19,003 (2.8 per cent.). This is a low ratio of profit compared with that earned by the large composite offices, but it has to be remembered that re-insurance business is generally conducted on a much smaller profit margin. Incidentally, it may be suggested that the company would do well in future to separate in its accounts the fire business from the miscellaneous insurance. There is also a small marine account, with a premium income last year of £40,270, and this account required a transfer of £9,843 from the profit and loss account. It is stated, however, that the first year's experience of the 1927 account is a good deal more satisfactory than that of previous years, and the transfer now made brings up the fund to a figure equal to approximately 103 per cent. of the 1927 premium. In the life department the premium income now amounts to £76,492, and the fund to nearly £1½ million. The second quinquennial valuation of this branch was made as at the end of last year, and the resulting surplus of £3,312 (which compares with a surplus of £1,896 in the first quinquennium) has been carried forward in the fund. The dividend is again maintained at 8 per cent., free of tax, costing £4,880, and this distribution entails a very moderate draft on the interest income of £29,208.

Victory Insurance.—Formed immediately after the war for the transaction of reinsurance business, and re-constructed in 1926 by a drastic writing down of capital, this company has had a short but chequered career. The

whole of the company's transactions are included in one account, namely, the fire and general account, and in 1926 this account showed a moderate underwriting profit equal to 3.1 per cent. of the premiums. The 1927 result, however, is disappointing. The claims ratio has risen from 54.3 per cent. to 63.8 per cent., with the result that the underwriting profit has declined to 1.5 per cent. The necessity of providing a reserve for income-tax and of paying directors' fees has swallowed up the whole of the underwriting profit, and there has emerged as a result of the year's operations a net trading loss of £1,103, compared with a net trading surplus in 1926 of £4,932. Interest earnings, however, show a satisfactory increase of over £2,000, and now amount to £11,712. The dividend has been raised from 3 per cent. to 4 per cent., and costs £4,800. Of the total net increase in free assets for the year, amounting to £5,809, the sum of £5,000 has been utilised to strengthen the general reserve fund, which now stands at £15,000.

Oversea Correspondence.

UNITED STATES.—BANK RATES AND SHARE MARKET—BROKERS' LOANS—BUSINESS CONDITIONS—CROP PROSPECTS—COMMODITY PRICES.

(FROM OUR CORRESPONDENT.)

NEW YORK, July 24.

AFTER reacting moderately on the Chicago and other Federal Reserve bank rate advances, the share market has been quiet, and has shown a tendency to rally. After the reaction the leading feature of the market was dullness, the turnover on the Stock Exchange falling back to about the million share level, or to about one-fifth the volume reached at the spring peak of activity. On the recovery, which has continued down to date, the volume of business has increased slightly—by a few hundred thousand shares a day. The market as a whole has made very little progress, the advances coming in a few stocks that have been governed by special circumstances. Certainly there has been no general revival of speculative activity—and to that extent the efforts of the banking authorities have met with success. On the other hand, the reduction in the borrowing on securities has been a bit disappointing. It will be recalled that in the wave of liquidation that attended the June break brokers' loans in this city diminished approximately \$400,000,000 in three weeks. This reduction was followed by a rather surprising (if that adjective can be applied to the fluctuations in these figures) increase of \$147,000,000 over the turn of the half-year. In the two weeks that have elapsed since then a reduction of \$112,000,000 has been accomplished. At July 18th the total, \$4,194,000,000, was \$369,000,000 below the June 6th peak. Accordingly, it is apparent that while some progress has been made, it is short of the objective of \$800,000,000 or so that was talked of some time ago, and that it is not so considerable in proportion to the increase of \$753,000,000 that took place between January 4th and June 6th. Particularly is this so in view of the fact (noted in the bulletin of the Federal Reserve Board) that a good deal of the reduction in brokers' loans has been offset by direct borrowing from the banks. Meanwhile there continues to be comment on the fact that recent reductions in brokers' loans made by local banks have found an offset in larger loans made for the accounts of corporations.

As for the share market, the smaller volume has been accompanied by a marked slackening in professional operations. Many of the big traders who were active in the spring advance have been standing aside, and even expressing bearish sentiments. Comment in brokerage circles has been conservative. Bankers have been quite discouraging as to the market. However, if the current recovery gathers more force, there is likely to be a resumption of bullish operations. The spirit of caution has not gone very far beneath the surface. Just now the

tone of the call money market is rather easier, which is not surprising at this season of the year. As autumn approaches, however, the demand for money should increase, and the Federal Reserve authorities should have no difficulty in making their policies effective. The question as to the course of money rates is likely to depend very considerably on what transpires in the share market. If quietness should prevail for a few weeks more a sufficient further reduction in brokers' loans might be secured to make the Federal Reserve authorities feel that an increased use of their facilities without additional rate penalty would be justified in order to accommodate the needs of business. On the other hand, if speculative activity revives it is very difficult to see how the Federal Reserve authorities can do otherwise than stand firm on their restrictive policy, and in that case money, of course, would be quite firm. At the moment it seems as though the first of these possibilities would eventuate, but it is, of course, hazardous to base anticipations on what may happen in the share market.

As far as earnings and business are concerned, conditions seem good enough to support bullish activity. The volume of business is holding up well, and the second quarter compares well with the first quarter. Industry seems to have sufficient momentum to promise good results for the second half year. Earnings again seem better than expected. For a year or two there has been pretty steady talk to the effect that the volume of activity is good, but that profits are not. Actually, earnings have held up very well, and the corporation reports that have been coming in recently suggest that profits for the first six months of this year will run ahead of those for the corresponding period of last year. Steel production has been maintained remarkably well into the summer season, and for the industry as a whole now approximates 75 per cent. of capacity. The increase in the United States Steel Corporation's unfilled orders that occurred during June now is attributed to a driving in of orders for third quarter delivery on the basis of a threat of higher prices. This is a familiar piece of tactics in the steel industry; but some observers now feel that the companies will talk a further advance for fourth quarter business in the hope that they can make the present higher asking prices good for that quarter. Second quarter earnings in the steel industry are quite likely to run ahead of those for the first quarter. The automobile business also has been able to maintain itself well, and many new models are now being brought out for the late summer and early autumn trade. Production of automobiles for the first half-year exceeded that for the first six months of 1927, and came close to the output for the first half of 1926, which set the high record for all time.

Crop prospects are good. Cotton acreage is set above that of a year ago, and the wheat crop, which was expected to fall below last year's, has been making excellent progress in recent weeks, and may come close to last year's level. The wheat growers evidently believe that large supplies will be available, as they have been marketing rapidly. This has been attended with an increase in deposits in country banks, and by a sharp fall in the price of wheat. Reflecting lower prices for agricultural products, the Bureau of Labour statistics index of wholesale commodity prices for June dropped one per cent. as compared with May. At 97.6 per cent. of the 1926 average it compared with 93.8 for June, 1927. Evidently our huge gold exports of the past year have not caused any deflation of prices here. In examining the various groups that make up the index it is apparent that industrial commodities have been firm this year with a moderate tendency to rise.

FRANCE.—THE NEXT BUDGET—PUBLIC WORKS—DEBT PROBLEMS—BANK POSITION—BOURSE.

(FROM OUR CORRESPONDENT.)

PARIS, July 31.

M. POINCARÉ is reported to be finding the work of drafting the Budget for 1929 exceptionally difficult, in view of the heavy extra expenditure to be provided for. This includes substantial amounts to meet the first year's expenditure on the Loucheur housing scheme, the cost of army

reorganisation (which will not be a recurrent item, but will preclude appreciable reductions in military expenditure in subsequent years), and a good many millions to bring the remaining categories of civil and military pensions and rates of pay to a level consistent with existing conditions. Whether it will be possible to find this extra money without additional taxation remains to be seen, but it may be taken for granted that the Finance Minister is determined, in any case, to balance the new Budget without recourse to further borrowing or other adventitious methods, and that there will be no repetition of the policy of slowing down, in connection with the development of productive national public works, which had to be adopted for some years after the war.

The value and scope of the scheme of great public works now in course of development in this country may be gathered from an announcement made last week by M. Tardieu, the responsible Minister, in regard to the progress of the work of electrifying the rural districts. Last year, he stated, electricity was installed in more than 3,000 communes, and at the present rate of progression every French village will be furnished within six years with electric light and power. At present France is generating 12,300,000,000 kilowatts-hour of electricity, or 300 per head of the population, "which is more than Germany, Italy, or Great Britain, although less than Norway, Canada, Switzerland and the United States."

Mr Churchill's recent statement in regard to the French debt to Great Britain has awakened attention here to the costly results that have already followed the failure of this country to ratify the London and Washington agreements. The debt to Great Britain was fixed by the provisional agreement of July 12, 1926, at £600,000,000. Towards this the French have made payments totalling £10,000,000, representing one-sixth of the 5 per cent. interest that has accrued since July, 1926. The total debt, as agreed by the two Governments, therefore, stood on June 30th last at £658,000,000 net, or 7,200,000,000f more than it was two years before. The debt to the United States, which was fixed on June 30, 1925, at \$4,025,000,000 (say £800,000,000) carries a 4½ per cent. interest charge, and has similarly increased during the three years by 12,250,000,000f, so that however successfully the internal debt may have been dealt with, the French foreign debt has increased during the past three years by over 7,500,000,000f a year, and will be swollen by a rather larger sum every year until a definite settlement comes into operation. Further, unless the provisional Washington agreement is ratified meanwhile, the \$407,000,000 (10,175,000,000f) owing for the American war stocks left in France falls due for payment in August, 1929. Under the Washington agreement this "commercial" debt is incorporated in the much larger "political" debt. The Americans have made it clear recently that unless ratification intervenes they will require payment for the stocks in full on the due date, and will not tolerate any consolidation of the amount owing.

The present situation of the French internal debt, as compared with that at the end of 1927, may be gauged from the following approximate figures:—

	December 31, 1927. Francs.	June 30, 1928. Francs.
Irredeemable debt ("Perpetual Rentes")	101,742,000,000	101,742,000,000
Debt extinguishable by Budget annuities (3% Rentes, 15 year Treasury Bonds, 30 and 10 year Bonds held by <i>sinistrés</i> in lieu of reparations in cash, etc)	77,206,000,000	98,206,000,000
Short-term debt (5 year Treasury Bonds, Credit National Bonds, Defence Obligations, etc., liable to be presented for payment <i>en masse</i> at maturity and not provided for by Budget)	25,825,000,000	19,859,000,000
Floating debt proper (Defence Bonds, Short Treasury Bonds, private sight deposits at Treasury, advances by Bank of France) ..	85,572,000,000	51,000,000,000
	290,345,000,000	270,807,000,000

The increase of 21,000 millions in the Redeemable Funded Debt was owing, of course, to the creation of the new Rentes issued in the last Conversion Loan. The diminution of the floating debt proper by 34,000 millions was

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due, as to 10,000 millions, to paying off in cash or conversion into new Rentes; as to 23,550 millions to the wiping out of the debt due to the Bank (of which 10,000 millions was repaid by fresh money received in the last loan operation and 13,500 millions through revaluation of the Bank's assets under stabilisation); and as to about 500,000,000f by the reimbursement of the private sight deposit balances lying at the Treasury. In this statement, which is based on reliable estimates, no account has been taken of the 3,200,000,000f advanced by the Bank to the Treasury as a "loan without interest," reimbursable (technically) at the expiration of the term of the Bank's present charter, but pretty certainly destined to be subject to more or less perpetual renewal.

The Bank's stock of gold, according to the last weekly statement, giving the position at July 20th, shows a further increase of 259,000,000f, with the note circulation down a further 294½ millions, thus bringing the gold cover for the Bank's sight engagements in notes and current accounts (74,252,000,000f, against 73,783,345,000f) up again from 39.85 per cent. to 39.95 per cent. (the statutory proportion being 35 per cent.). A further large shipment from New York should appear in the next statement. The Treasury available balance is another 425 millions higher, while the Caisse d'Amortissement's current account shows a rise of 399½ millions. Private deposits and current accounts are 77½ millions down, and forward exchange commitments 97½ millions less.

The Bourse is suffering from complete lethargy, due not only to the holidays, but to fears that the end of the month settlement may prove difficult. Market activity, which had an index figure of 100 last November and rose to 400 in May and June, dropped back below 200 last week, and is expected to drift down to last autumn's figure again before the week is out. Apart from the Mexican Eagle sensation and rumours (apparently unfounded) of action of a disciplinary character in regard to the stock by the Bourse authorities, almost the only feature of interest in the market has been a rise of 330f in Bank of Algeria shares, on belief that revaluation of the bank's stock of precious metal and other assets, on

stabilisation, will disclose substantial sources of surplus profits, and in view of the fact that the bank's revaluable advances to the Algerian and Tunisian Governments total some 47,000,000f. Stabilisation prospects are credited with being indirectly responsible for this week's rise (2,230 to 2,430) in Nord railway shares on heavy foreign buying for foreign account. The view taken is that, with the pending rapid return of French industrial concerns to normal conditions as the result of stabilisation, the series of chronic railway deficits will now definitely come to an end.

GERMANY.—TARIFF POLICY—MONEY—CAPITAL MARKET—INDUSTRY—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, August 1.

THE Reichswirtschaftsrat's Memorandum on the recommendations of the Geneva Economic Conference was presented to the Reichstag and the public last week. The contents were already known to be a strong endorsement of the Conference's view, and the full text adds little. But the Memorandum is commented on with renewed interest in view of the movement in England for iron and steel duties, and of the coal competition question. The most striking fact is that the R.W.R. should have been able to produce what is an almost unqualified declaration for Free, or at least freer, trade. The R.W.R. represents all economic interests, and these are very varied and conflicting. While industry as a whole may be called Protectionist, many individual Protectionist industrial branches believe that they would flourish more were Protection withdrawn from some other branch. There is a more or less general opposition between the raw material and the finishing industries. The commercial class represented in the R.W.R. is in general free-tradish, and that is also in general true of the represented consumer and Labour classes. The Memorandum, however, declares that independently of any special interests, real or imaginary, the conditions of Germany make lower duties desirable. It is more important that her exports should have freer access to foreign countries than that her home production should be protected by high duties. After citing the Conference's three proposals for reduction of duties by States acting independently, by conclusion of individual commercial treaties, and by collective international agreements, the R.W.R. finds that the first two methods are the most promising for Germany.

As Germany is a pronounced Protectionist country, it is not likely that the Geneva Conference's recommendations will be put through with ease. The particular industrial interests which appear so tame in the R.W.R., which is merely an advisory body, will certainly fight hard for their interests in the Reichstag. The R.W.R. specially commends the late Cabinet's declaration of May 9, 1927, which not only approved of the Geneva Conference's Report as a whole, but also promised to work for its realisation by native measures. From the present Cabinet, by virtue of its composition, still stronger support might be expected. In high Protectionist quarters a certain amount of capital is being made out of the movement for British steel duties, the imposition of which, it is declared, would put a seal upon Great Britain's definitive conversion to Protection. In the demand for steel duties Germany is at present not very much interested. The German steel industry's view, which has been stated repeatedly in reply to American complaints about the Steel Syndicate's price rebates to exporting manufacturers, is that France and Belgium are the countries which, by still producing to a certain extent upon a currency-depreciation basis, keep down prices; and that Germany would gain and not lose were Franco-German production cost brought up to the level of British.

At present the coal question seems to be more acute than the steel. The British freight-transport relief, even before the new antedating, was described here as a "veiled subvention." The Ruhr Coal Syndicate, in June, returned to its policy of free selling in the "competition districts," and apparently that policy will be continued, so that everything points to very costly competition. The Syndicate last week decided against the granting of formal

German State subventions in reply to "the new State subventions to English mining," but it demanded a "veiled subvention" in the matter of railway rates. It based its demand upon a German Cabinet promise of March, 1926, that, should the British subventions be prolonged (or renewed), the State would give assistance. The financial position of the Ruhr industry, if profits on by-products and from the metallurgical interests of the leading concerns are left out of account, is very unsatisfactory, and is getting worse. For this the per-ton assessment (*Umlage*), which goes mainly towards financing cheap sales in the "competition districts," is largely responsible. The *Frankfurter Zeitung* publishes an elaborate analysis, which seems to confirm its estimate that the fighting cost to the Syndicate, on basis of recent and present assessment rates and of the volume of "competition" sales, will in all 1928 be about 180,000,000 marks. Since the beginning of 1927 the "fighting costs" have reached about the same sum. During that 1½ years the unprofitable "competition" sales have fallen in quantity, but the per-ton assessment has risen very much, and its yield, which was only 2,810,000 marks a month at the beginning of 1927, was 13,200,000 marks in January, 1928, and 17,180,000 marks in June. Only about 10 per cent. of the assessed sum falls to "competition districts" within Germany; the rest, which for all 1928 will be about 160,000,000 marks, goes on cheapening coal to foreign countries, chiefly Holland, France, Italy, Scandinavia, and the Baltic States. The competition is, therefore, not merely a question of coalowners' profits and losses; it is a question of the foreign trade and foreign payments balances, and it involves a serious loss to Germany in the settlement of her accounts with other countries. The prospects of any agreement with Great Britain are not considered good. Germany has already successfully so centralised her organisation and "rationalised" her technical methods that she can hardly strengthen any further her position for negotiation, whereas Great Britain, as Germans see it, has yet many things to do which would certainly strengthen her position, and until she has done these things—so Germans declare—she will not come to an agreement. The coal labour situation is better in Germany than in Great Britain. Although a certain number of shifts are lost every month, total unemployment is very small—according to the last Miners' Union report only 1.3 per cent. of members. In past times men discharged from the Ruhr mines were very speedily absorbed by other industries.

The money market remains firm, but rates for the end of a month are not abnormally high. The monthly bank balance-sheets for June 30th show (seven chief Berlin banks) a slight decline in the balance total. Deposits fell from 8,725 to 8,692 million marks. On the active side, credit balances with other banks fell from 1,022 to 966 million marks. Bourse credits rose from 709 to 729 million marks, advances on wares rose from 939 to 990 million marks, and discounts rose from 2,189 to 2,191 million marks. The liquidity ratio slightly improved. The home capital market in July was practically dead, the two loans issued, both municipal, totalling only 10 million marks, and there were only four foreign loans, totalling six million marks, as against 249 million marks in July. Foreign loans in the seven months January-July amounted to 1,089 million marks. The rate of foreign borrowing so far this year has been higher than in any preceding year. The total for all 1927 was 1,469 million marks. The greater part of foreign borrowing this year was for public purposes, individual municipal loans totalling 97 million marks, joint municipal loans 137 million marks, agricultural loans 302 million marks, and loans for electrical stations 207 million marks, and there were further small housing, church, and other semi-public loans.

Reports from industry show a continuing but very gradual decline in orders. The exception is heavy iron and steel, export of which in the last ten days has increased, in accord with the new firmness of the West European markets. The demand for German semi-products, bars and wire has in particular increased. The production of wire rods is at a higher rate than in 1927. An agreement for an "Arbeitsgemeinschaft," the loosest form of combine, has been come to between the leading locomotive manufacturers—Henschel of Cassel, Borsig of Tegel,

the Berliner Maschinenbau A.G. and I. Maffei of Munich. The Institute for Study of Trade Fluctuations estimates that 200 to 300 thousand more persons are working for the export industries than a year ago, but concludes that the export of industrial products would have to be increased 25 per cent. in order to make good a decline of 5 per cent. in home sales. Sixty per cent. of the iron and steel wares industries normally work for the home demand, 70 per cent. of the chemicals, 80 per cent. of the leather, and 88 per cent. of the textiles, and 97 per cent. of the clothing, foodstuffs and furniture. Coal production in the whole Republic in the first half of 1928 totalled 75,944,613 metric tons, as against 76,057,216 tons in the first half of 1927.

Stocks last week reacted considerably, the *Frankfurter Zeitung's* index fell from 141.29 to 138.76. The new week began rather better, but there was a drop today in artificial silk, and in the Polyphon Company stocks. The sensational collapse of the latter has been an important influence on the Bourse for some days. Potash, paper, electrical and Reichsbank stocks have been in demand.

HOLLAND.—TRADE BALANCE—NEW ISSUES— MONEY MARKET—A NEW COMPANIES ACT.

(FROM OUR CORRESPONDENT.)

AMSTERDAM, July 18th.

THE state of the trade balance for the Netherlands during May was favourable. The figures both for imports and for exports were the highest on record for the month of May. According to the official returns the value of Dutch imports during May amounted to 220 million guilders and that of the exports 169 millions. The import balance reached 50 millions. The figures for the first five months of 1925-1928 are as follows:—

(In Millions of Guilders.)				
January-May—	1925.	1926.	1927.	1928.
Imports	1,002.9	1,009.6	1,010.7	1,112.1
Exports	717.4	658.0	735.4	785.9
Import balance....	285.5	351.6	275.3	326.2

The value of Dutch imports during January-May, 1928, was about 101.4 millions higher than during the corresponding period in 1927; on the other hand, the value of the exports during January-May, 1928, was only 50.5 millions higher than during the same period in 1927, so that the import balance during the first five months of 1928 was 50.9 millions higher than in the first five months of 1927.

The weight of the imports and exports during the first five months of 1925-28 were as follows:—

(In Metric Tons.)			
January-May—	Imports.	Exports.	
1925	9,977,660	.....	4,656,559
1926	10,702,402	.....	5,244,619
1927	10,905,235	.....	5,638,786
1928	11,634,505	.....	5,967,219

The increase in the weight of exports during January to May, 1928, compared with the corresponding period in 1927, is due to the enormous amount of coal exported. The export of coal during January-May, 1928, was 361,482 tons more than in January-May, 1927; on the other hand, the amount of bunker coal supplied to foreign ships was 24,831 tons less, thereby making a total of 336,651 tons more, while the weight of the exports was 328,433 tons more than in January-May, 1927.

The value of exported manufactures rose from 51.4 million guilders in May, 1927, to 73.3 millions in May, 1928, and from 259.3 millions in January-May, 1927, to 331.6 millions in January-May, 1928, or 72.3 millions more than in the first five months of 1927. Taking into consideration the fact that the total value of the exports during January-May, 1928, was 50.5 millions more than in January-May, 1927, it is clear that this increase is simply due to the increased value of the manufactures exported. This is a good proof that industrial life in Holland has developed favourably during the first half of 1928.

In the loans market the past half-year has been very

lively, the number of Dutch loans especially having increased considerably. No less than 152.8 million guilders of Dutch loans were issued, compared with 71.7 millions during the first six months of 1927. There was also a large number of foreign loans, German loans being most prominent. During the first half of 1928 these amounted to 103.8 millions, or about 57 per cent. of the total amount of 181 millions issued in foreign loans. The total value of new issues, both Dutch and foreign, during the first half of 1928 was 334 millions, compared with 268 millions during the first six months of the preceding year. The capital market has also been amply supplied, and yield rates have, on the whole, shown a tendency to fall.

The money market was more amply supplied during June than it was a month ago. Call money was quoted at 2½ per cent., which was higher than has been the case for a considerable time. The average rate for "prolongations" also declined, and amounted to 4.0891 in June, compared with 4.1571 in May, 1928, and 3.8291 in June, 1927.

During the first half of 1928 the average was 3.9943, compared with 3.6066 in the preceding year. In view of this there were no difficulties in the Amsterdam money market when the second half-year began. Quotations declined only a little. This did not, however, eliminate the fact that the Central Bank temporarily had to extend its credits. At the beginning of July the value of notes in circulation was increased by about 60 million guilders, while the value of loans also increased by 40 million guilders odd. Soon after the second half-year began a sharp reaction was noticeable, and the value of the bills discounted and of the notes circulated by the Netherlands Bank again reached the normal level. Private discount rates once more dropped to below 4 per cent., while 3½ per cent. was quoted for "prolongations." The ample supply in the Amsterdam money market is remarkable in relation to the position of the money centres in other countries. In New York, for instance, the rate for call money rose to 10 per cent. and remained firm. Formerly the New York money market greatly influenced Amsterdam, but at present hardly any effect is felt.

No large amount of money from Holland is being invested in U.S.A. for short periods. Consequently the position has undergone practically no change. Only a slight fluctuation has been noticeable in the rate of the dollar. With sterling rates it has, however, been the reverse. The pound is fairly dull, and in order to avoid importing gold from England, the Netherlands Bank began purchasing pounds in advance. Consequently the amount of foreign cash held by the Bank increased from 28 to 35.3 million guilders. The position of the London money market, compared with what it was a month ago, has also changed in favour of Amsterdam.

In my last report it was stated that the rate for private discounts in London was considerably lower than what Amsterdam was quoting. This might have had a detrimental effect on the turnover on the Amsterdam discount market. Now that the change has come about so soon, and Amsterdam rates are again below London quotations, there is no longer any fear of detriment, and the turnover here seems to be quite normal. It is also probable that the rise in the New York discount rate will have no great influence. The recent rise has, however, brought the official rate of New York ½ per cent. higher than the official discount rate in the Netherlands, which is still 4½ per cent. The withdrawal of moneys from Amsterdam, and the change of the balance of payments must, however, progress much further before it seriously weakens the position of the Netherlands Bank, thereby making it necessary to raise the discount rate in this country.

The annual report just published by the Netherlands Bank indicates that Mr Vissering is in favour of keeping the rate of interest as stable as possible, and will not be very much disposed to bring about any change in the discount rate for short periods. Before it is decided to raise the discount rate in Holland the position must be such as to make longer contemplation impossible. The weekly statement of the Netherlands Bank, however, shows that the Bank is in a position to be fully able to stimulate the guilder rate without difficulty for some considerable time if need be. The stimulus need not be in the form of a

The Stock Exchange.

ARGENTINE RAILWAY PROSPECTS.

THE Argentine railway year ended on June 30th last, and its financial results will be published early next October. That the accounts now under consideration by the various boards are of a gratifying nature may be inferred from the fact that the gross earnings of the six largest companies last year were 2 per cent. higher than those of 1926-27, which in their turn exceeded the 1925-26 figures by 9 per cent. The recent extensive fluctuations in the prices of Argentine railway stocks are due, paradoxically enough, to this very state of affairs. The prosperous condition of the railways has attracted the attention of two other parties besides the investor, namely the workers, who have threatened to carry pressure for increased remuneration to extreme lengths, and the Argentine Government, which has been insisting, in effect, that the railways should admit the public to a share in their benefits by reducing their rates and charges. The shadow of possible labour trouble still remains. The Government's intervention has been effective to the extent that one of the largest companies, the Central Argentine, has agreed to reduce its charges to the 1922 level, while another, the Buenos Ayres Great Southern, is to revise its tariffs without prejudice to future legal action. The latter developments have been interpreted as "bull points" on the Stock Exchange, of sufficient importance to bring about a substantial rise in quotations—a result which itself indicates the extent of the uneasiness previously felt as to the potential dangers of a prolonged war between the railways and the Government.

The chief bone of contention between the railways and the Argentine authorities has been the application of the so-called Mitre Law of 1891, which fixed the maximum net yield on railway exploitation in the Republic at 6.85 per cent., with a proviso that the executive power might intervene when gross profits for three successive years exceeded 17 per cent. of the total share and bond capital, provided in both cases that expenditure did not exceed 60 per cent. of the receipts. The law, finally, was expressly related to an earlier piece of legislation which declared that the railway tariffs must be "just and reasonable." At the time of its enactment, the Mitre Law was hailed as a great charter by the companies, and the new feeling of financial security which it induced played no small part in the extensive programme of new construction subsequently carried out. For years, however, the ratios laid down in the Law remained an ideal to be striven for rather than a limiting factor in profits, and it has been left for the rapid increase in earnings of the last two or three years to reveal numerous ambiguities in its apparently definite provisions. The total capital "recognised" by the Executive Power, on which the rate of earnings is to be calculated, has never been agreed between the Government and the companies, so that while, for instance, the Buenos Ayres Great Southern Railway recently contended that its "recognised" capital at June 30, 1926, should be taken as £61,000,000, the authorities proposed a figure of £55,000,000. Secondly, the allowance to be made for any excess of working expenditure over the "datum" level of 60 per cent. has not been defined. Finally, the question whether "just and reasonable rates" may be determined on general considerations apart from the express stipulations of the Mitre Law, has been more or less openly raised in recent discussions.

Available figures leave no doubt but that the expansion in railway revenues has been very considerable since the companies secured their last increase in rates in 1922. Comparing net revenue in 1926-27 with that for 1921-22, a rise from £2,160,273 to £4,801,881 (i.e., an expansion of 122 per cent.) is shown by the Buenos Ayres Great Southern, from £2,052,611 to £4,131,424 (101 per cent.)

by the Central Argentine, from £2,146,604 to £2,438,273 (13½ per cent.) by the Buenos Ayres and Pacific, from £871,967 to £1,857,405 (113 per cent.) by the Buenos Ayres Western, from £390,088 to £928,550 (138 per cent.) by the Cordoba Central, and from £179,052 to £444,641 by the Entre Rios (149 per cent.). Allowing for increases of capital in some cases, the ratio between net earnings and total issued share and loan capital, as shown in the published accounts, has grown from 3.9 per cent. to 8.3 per cent. in the case of the Great Southern, from 3.5 per cent. to 6.9 per cent. in that of the Central Argentine, from 7.4 per cent. to 8.4 per cent. in the Pacific, 2.7 per cent. to 5.8 per cent. in the Great Western, 1.8 per cent. to 4.5 per cent. in the Cordoba Central, and 2.2 per cent. to 5.5 per cent. in the Entre Rios. Many causes have combined to produce these improved results. The ratio of working expenses has been largely reduced, the proportion of expenses to gross earnings falling from 74.34 per cent. in 1921-22 to 64.79 per cent. in 1926-27 in the case of the Great Southern, from 78.26 per cent. to 67.32 per cent. in that of the Central Argentine, from 71.24 per cent. to 69.35 per cent. in the Pacific, 78.72 per cent. to 64.90 per cent. in the Western, 85.20 per cent. to 74.09 per cent. in the Cordoba Central, and from 81.29 per cent. to 66.91 per cent. in the Entre Rios. The railways have spent large sums on capital account, which are not proportionately reflected in the statements of total issued capital, the aggregate for the six lines between 1922 and 1927 reaching £12,683,000 against a total rise of £4,479,000 in share and loan capital. The peso-sterling rate of exchange has moved in favour of the railways as remitters of funds to London, the average rate for the twelve months ended June 30, 1927, being 47.83d, as compared with 44.45d in the last twelve months. Increased tariffs have also, of course, played their part, but by far the most important factor of all has been the phenomenal growth in the output and activity of Argentina's staple industries, exemplified by an increase in wheat production from 52 million metric quintals in 1921-22 to 60 millions in 1926-27; in maize production from 44½ million quintals to 81½ millions; in linseed from 9 million quintals to 17½ millions. The whole makes up a story of rapidly increasing prosperity rivalled in the post-war history of few great nations, and one can easily understand the tendency of the Argentine people to emphasise the great improvement in the financial condition of the railway companies while making, possibly, insufficient allowance for the fact that 1921-22 was a year of abnormal economic depression, and that, therefore, comparisons based upon it are not very fair.

It is clear from the gross earnings figures for the year 1927-28 that all the six railways should be in a position to maintain their dividends next October at the 1926-27 levels.

GROSS AND NET EARNINGS (000's omitted).

	Gross Receipts.		Net Earnings.		Ordinary Dividends, 1926-1927.		Surplus Earnings after paying Divi. and prior charges
	1926-1927.	1927-1928.	1926-1927.	1927-1928.	Rate.	Div.	
B.A. Great Southern..	13,636	13,268	4,802	4,677	8	2,737	857
Central Argentine ..	12,644	13,702	4,131	4,467	7½	2,630	650
B.A. Pacific ..	7,954	8,249	2,438	2,529	7	700	161
B.A. Western ..	5,292	5,255	1,857	1,895	7	1,228	212
Cordoba Central ..	3,583	3,553	929	919	2	66	2
Entre Rios ..	1,344	2,503	445	497	6	107	53

† Ordinary and deferred.

The estimated net earnings figures shown for 1927-28 are based on the conservative assumption that the railways have been able to effect no further economies in expenditure during the last few months. Presuming that other income and outgoings were on the same scale as in 1926-27, it will be seen that the Great Southern, despite a

falling-off of the order of £125,000 in net receipts, could maintain its 8 per cent. distribution with a comfortable margin. The Central Argentine, in view of its probable increase of over £300,000 in net receipts, and its conservative distribution last year, is in a position to consider placing its dividend on an 8 per cent. basis. The Buenos Ayres Pacific, on the above showing, could pay 8 per cent. and still increase its surplus by much the same amount as last year. Entre Rios could, if desired, increase its dividend by 2 per cent., and still have larger undistributed profits than last year, but the Cordoba Central and the Western have each a small drop in earnings, and unless they have made big economies could not increase dividends except by reducing their surpluses. Thus the table indicates where increases might be made. Whether they will be made is another matter. "All things are lawful unto me," said St Paul, "but all things are not expedient." That the companies will willingly draw the fire of the Argentine Government and their own organised workers by enhanced dividend distributions at a time when their prosperity is being used as an argument for extorting far-reaching concessions is, on the face of it, improbable. The other lines may shortly be compelled to follow the example of the Great Southern and the Central Argentine, and yield up, as a gesture of good will, the rate reductions which the Government is morally certain to secure, if it is determined to obtain them, whatever the precise conditions of the law may be. Again, the prosperity of the railways is to a very large extent dependent on the physical volume of the main crops, and though for several seasons climatic conditions have been very favourable, they cannot be expected to remain so for ever. For these reasons, stockholders should recognise that the current figures must be discounted in estimating the value of their securities.

In the last column of the table which follows, and shows highest and lowest Stock Exchange quotations for some time past, the yields are calculated on the assumption that last year's dividends will be maintained:—

HIGHEST AND LOWEST QUOTATIONS (12 Months Ended June 30).

Ordinary Stock (£100).	1926.		1927.		1928.		Yield at Latest Price.
	Highest	Lowest	Highest	Lowest	Highest	Lowest	
B.A. Gt. Southern..	98	87	103½	94½	114	99½	7 14 6
Central Argentine..	78	67½	89½	67½	102½	87½	7 9 9
B.A. and Pacific ..	88½	79½	94	79½	97½	88	7 16 6
B.A. Western ..	88	70½	93½	81½	96½	85½	7 17 3
Cordoba Central ..	35½	15½	49½	31½	40½	28½	5 14 3
Entre Rios ..	63	37	77	57½	88	62½	7 2 9

Though the general trend of quotations in the last three years has been upwards, prices are revealed as susceptible to somewhat wide annual fluctuations, and the present outlook does not promise any early change in this respect.

THE WEEK IN THE MARKETS.

SETTLING DAYS.

TICKET.	ACCOUNT.
August 14.	August 16.

BUSINESS in the majority of markets was more restricted than in any previous week of this year. Orders were few, and generally for small amounts. That the holiday period was not the sole reason for this state of affairs is clear if one contrasts the comparative activity of last August with the quietude which now prevails. A year ago August made scarcely a break in the upward trend of prices, which had still many months to go before its climax. To-day markets are experiencing the apathy which is inevitable after such a reaction as has taken place in the last few weeks. This applies not only to London, but with even more force to overseas centres, such as New York, Paris and Brussels. In such circumstances as these, records of price movements are frequently misleading, since in a narrow market comparatively small purchases or sales exercise a quite disproportionate effect.

Gilt-edged securities were dull and uncertain in tendency. The money market developed symptoms of in-

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.
Conv. Loan 3½% ..	77½	77½	—
Do 4½% 1944 ..	99	98½	—½
War Loan 5% 1929-47 ..	102½	102½	—
Do 4% (tax free) ..	101½	101½	—
1929-42 ..	101½	101½	—
Consols 2½% ..	58½	58½	—
Do 4% ..	86½	86½	—
Funding 4% ..	90	89½	—½
Victory Bonds 4% ..	94½	94½	—
War Bonds 5% 1929 ..	105	105	—
Local Loans 5% ..	65½	65	—½

	Price Last Week.	Latest Price.	Rise or Fall.
Treasury 5% (B) ..	101½	101½	—
Palestine 5% 1942-67 ..	104½	104½	—
S. Africa 5% 1945-75 ..	102	103	+
Canada 3½% 1930-50 ..	82	82	—
India 3½% ..	71½	71½	—
Australia 5% 1945-75 ..	99	99	—
N.S. Wales 5% 1922-32 ..	100	101	+
N. Zealand 5% 1946 ..	103	103	—
Victoria 5% 1930-40 ..	101	101	—
Nigeria 6% 1949-79 ..	113	113	—

	Price Last Week.	Latest Price.	Rise or Fall.
Japanese 6% (1924) ..	100	99½	—½
Tokyo City 5% ..	91½	91½	—
Argentine 4% Reciss. ..	86½	86½	—
Austrian 6% 1923-43 ..	101½	101½	—
Belgian 7% ..	109	109	—
Brazil 5% Funding ..	83½	83½	—
Bulgaria 7% ..	88½	88½	—
China 5% (1912) ..	44½	45	+
Egypt United 4% ..	84½	84½	—
Estonia 7% 1927 ..	96½	96	—½
Finland 6% 1923 ..	59	59	—

	Price Last Week.	Latest Price.	Rise or Fall.
G. Western Ord. Stk. ..	84½	84½	—
L.N.E. Def. Stk. ..	11	12½	+
Do 5% Pref. Stk. ..	23½	26½	+
L.M.S. Ord. Stk. ..	56½	56½	—
Metropolitan Cons. Stk. ..	68	67½	—½
Met. District Ord. Stk. ..	73½	76	+
Southern Def. Stk. ..	30½	32½	+
Do Pref. Ord. Stk. ..	70	75	+
Underground Ord. Stk. ..	14½	15	+
Do Income Bonds ..	124	124	—

	Price Last Week.	Latest Price.	Rise or Fall.
Antofagasta Ord. Stk. ..	87½	88½	+
B.A. & Pacific Ord. Stk. ..	89½	89	—½
B.A. Gt. Sthn. Ord. Stk. ..	103	102½	—½
B.A. Western Ord. Stk. ..	89½	89	—½
Can. Pacific Ord. Stk. ..	212	213½	+
C. Argentine Ord. Stk. ..	93½	93	—½
Entre Rios Ord. Stk. ..	83	83½	+
Leopoldina Ord. Stk. ..	61½	62½	+
Mexican Rly. Ord. Stk. ..	7	7	—
Utd. Havana Ord. Stk. ..	51	50½	—½

	Price Last Week.	Latest Price.	Rise or Fall.
Bank of England Stk. ..	264	263	—
Barclay B. (£1) ..	218	218	—
Barclays (Dom. Col. &c.) (£1) ..	1½	1½	—
Lloyds with £1 pd. ..	3½	3½	—
Mid. £12, with £2 pd. ..	8½	9	+
Do £2½, fully paid ..	9½	9½	—

	Price Last Week.	Latest Price.	Rise or Fall.
Alliance £1, fully paid ..	22½	23	+
Com. Un. £2½, fully pd. ..	29	29	—
London & Lanes. £5, with £1 paid ..	32	33½	+

	Price Last Week.	Latest Price.	Rise or Fall.
Habcock, Wilcox (£1) ..	3½	3½	—
Baldwin (£1) ..	1½	1½	—
Bengal Iron (£1) ..	1½	1½	—
Bolckow Vaughan (£1) ..	1½	1½	—
Dorman, Long (£1) ..	1½	1½	—

	Price Last Week.	Latest Price.	Rise or Fall.
Bradford Dyers (£1) ..	2½	2½	—
Brit. Celanese Ord. (10/7) ..	3½	3½	—
Do Prof. (£1) ..	1½	1½	—
Coats, J. and P. (£1) ..	3½	3½	—

	Price Last Week.	Latest Price.	Rise or Fall.
British Insulated (£1) ..	4½	4½	—
English Electric (£1) ..	1½	1½	—
General Electric (£1) ..	1½	1½	—

	Price Last Week.	Latest Price.	Rise or Fall.
Brenth & Poole (£1) ..	3½	3½	—
City of London (£1) ..	1½	1½	—
Midland Counties (£1) ..	1½	1½	—

	Price Last Week.	Latest Price.	Rise or Fall.
Eastern Stk. ..	249½	248	—½
Eastern Exten. (£10) ..	24½	24½	—
Western (£10) ..	24½	24½	—

creasing firmness, the dollar exchange moved further to sterling's disadvantage, and a fresh efflux of gold occurred of proportions which, though small in comparison with the total increase in the Bank of England's stock this year, were none the less significant. Treasury bonds as a whole tended to lose ground, and Three and a-Half per Cent. Conversion loan showed some weakness. Five per Cent. War Loan, however, was an exception to the general trend. Colonial stocks were more steady, investment demand being in evidence for the new Dublin Corporation loan, which went to and maintained a premium.

Business in the foreign market was steady, but unexciting. French Rentes showed moderate strength, and a number of European stocks showed small upward changes. Little inquiry was received for Brazilian bonds, but the new San Paulo issue, though heavily "staged," as was expected, gave evidence of inherent strength. Peruvian Corporations were higher on rumours (subsequently denied) of debenture rearrangement. Chinese issues showed slight change, but Japanese recovered after dullness on Monday, attributable to the emphasis placed on Japan's uncertain relations with the Chinese National Government by America's friendly approach to the latter.

the latter.

Movements in Home Rails were extensive, partly as a result of the extreme narrowness of this market at present. Interim dividends were largely on the lines expected, but the most was made of the economies in working costs announced by three of the four groups, reinforced over the week-end by news of the agreement with the railway personnel for a 2½ per cent. reduction in wages and salaries. Prices rose most sharply in the case of the ordinary stocks, but prior charge securities also benefited considerably, and even North-Eastern stocks—whose trustee position remained unconfirmed, the directors postponing payment on the second preference—shared in the movement. The recovery, however, did not extend beyond the first day of this week, the market subsequently relapsing into its accustomed lethargy, and losing thereby much of the ground previously regained. Foreign rails were quiet, satisfactory Argentine traffic returns failing to overcome the uncertainty felt as to the possibility of lower rates and charges being forced on the companies. New York was a buyer of American rails on a moderate scale, and Canadian Pacific was better.

The industrial markets were in an idle condition, interest being confined to a few "specialities." Insurance shares showed fresh strength—a feature discussed in an "Investment-Note" on this page. Bank shares, however, were irregular. In the artificial silk group Courtaulds declined on quite moderate selling, and British Celanese were dull, following the new preference share offer. A burst of strength in the gramophone section was traceable to American influence. The first batch of brewery reports, distinguished by the stability of the earnings disclosed, were favourably received, and a number of small gains were recorded. Some selling of Marconis was in evidence, but cable stocks were mostly steady. Among tobacco companies, Carreras were strong, a large buying order encountering a shortage of available stock. A negligible business was done in textiles, and movements in the iron and steel group were confined in small compass. Dullness characterised the nitrate share market, Paris selling Lautaros on the eve of the settlement.

The turnover in rubber shares was of the smallest possible dimensions. Little or no stock was on offer, and such slight changes as occurred in prices were mostly upward. The opening of the last "Restriction" quarter on August 1st passed largely unnoticed. All available and reasonable tests that the investor is unlikely to take indicate a suggestion apart in rubber shares until the situation becomes more clearly foreseen. October can be more clearly foreseen. Appreciable interest has been shown in tea shares, at irregular prices. A fair business was done in the American stock figures. Prices improved on a decline in the cheerful than during the preceding week, though dealing was on a very restricted scale. Johannesburg gave some support, and there was a cessation of French selling. Union Corporation rallied after initial dullness, and South African demand for West Springs was a mild feature. Tin, the metal, made a moderate recovery in price, but the latter was insufficient

to infuse vitality into the share market. Signs of a recrudescence of interest in Russian share possibilities were induced by rumoured negotiations in Paris, but the movement lacked spontaneity, and did not go very far.

INVESTMENT NOTES.

Railway Interim Dividends.—The announcements of the London and North-Eastern, and the Great Western Railways, made after we had gone to Press last week, complete the series of railway interim dividend declarations for the half-year ended June 30th last. Three of the four British "group" lines have made a welcome departure from tradition by affording an indication not only of the gross but also of the net takings of the half-year. The position is summarised in the following table :—

Railway.	Dividends for First Half-Year.			Rise or Fall in Half-Year's Receipts and Expenses in 1928 as Compared with 1927.		
	Stock.	1927.	1928.	Gross Receipts.	Expenses.	Net Receipts.
		% (Actual) 2	% (Actual) 1½	£	£	£
Lon. M. d. & Scottish	Ord.			— 2,100,000	— 1,000,000	— 1,100,000
Lon. & N. Eastern	2nd Pref.	Post- poned	Post- poned	— 1,500,000	Reduction offset "fully one-half" of loss	— 750,000
Great Western	Cons. Ord.	2½	1½	— 869,000	Not stated	?
Southern...	Ord. Pref.	2½	2½	(Pass. + 50,000 & Mis. — 320,000)	Reduction "approximately off-sets" loss	..

The London Midland and Scottish directors attribute the decline in gross receipts to a decrease in coal, iron, and steel, and heavy building materials traffic, a contributory factor being the new system of charges in force since January 1, 1928, the general level of which has been found to be slightly lower than that prevailing last year. The Southern attributes the rise in passenger traffic mainly to an extra day in the half-year. The Great Western quotes depression in the coal, iron, and steel industries as the reason for the drop in gross receipts. In the absence of a statement as to economies by this railway, the Stock Exchange has been freely questioning whether any have, in fact, been made. The London and North-Eastern publishes a lengthy statement, putting the decline in passenger revenue at £344,000 (nearly 4 per cent.), in goods and livestock at £755,000 (6 per cent.), coal £358,000, and dock receipts £43,000. On the passenger side the falling off reflects the immediate result of quoting cheaper fares to meet road competition—a policy as to the ultimate soundness of which, however, the directors are satisfied—and on the goods side is mainly due to “bad trade.” The announcements were well received on the Stock Exchange, where sentiment had tended to over-discount the effects of the falling-off in gross traffics. The agreement for a “cut” in wages and salaries, which is discussed elsewhere in this issue, assisted the recovery in market quotations. Between Wednesday, July 25th, and Monday, July 30th, Midland and Scottish ordinary rose from 55½ to 59¾, Great Western Consolidated ordinary from 83 to a maximum of 88½, Southern preferred from 69½ to 75½, deferred from 30 to 34½, London and North-Eastern preferred from 22½ to 28, and deferred from 10½ to 13½. Quieter conditions supervened, however, from Tuesday onwards, and the middle quotations at the time of going to Press are:—Midland and Scottish, 57; Great Western, 85; Southern preferred, 75; Southern deferred, 32½; North-Eastern preferred, 26½; North-Eastern deferred 12½.

The Rise in Insurance Shares.—The recent strength of the insurance share market has been in marked contrast to the prevailing dullness in the Stock Exchange. Investment buying was encouraged by the handsome bonus declared by the Pearl Assurance Company at the end of June. This company, which has an ordinary share capital of £500,500 in £5 shares, issued 139,900 shares at par *pro rata* to the ordinary shareholders. The new shares are now quoted at a premium of 50, which compares with the price of 65 for the old, on which 50 per cent., tax free, dividends have been paid since 1918. Further

interest in the insurance share market was roused by the publication of the half-year's figures of home fire losses. The cost of the principal fires in Great Britain and Ireland during the first six months of this year came to £2,335,800, as compared with £2,209,900 for the corresponding half of 1927. Allowing for an addition of 50 per cent. to these figures in respect of smaller fires it was generally felt in the market that the total cost of fires this year has been extremely moderate. The following table shows the rise which has occurred in the prices of leading insurance shares since the beginning of June:—

	Nominal Value.		Paid Up.		Prices.		1928.	
					June 2.	Aug. 2.	Highest	Lowest
Commercial Union	£	s d	£	s d	28½	29	30½	26½
London and Lancashire	5	0 0	1	0 0	32½	33½	33½	26½
North British and Mercantile	5	0 0	1	5 0	36½	39½	39½	30
Royal Exchange	1		1		6½	7	7½	6½

The indices of security prices show that as a group insurance shares are now at the highest levels ever reached. The reaction which occurred in May has been more than recovered.

The Cable-Wireless "Merger" Company.—The report of the Imperial and Wireless Conference, which is discussed in its broader aspect in a leading article on an earlier page, has left the Stock Exchange the problem of working out the probable value of the shares of the Marconi Company and the stocks of the Cable companies—Eastern Telegraph, Eastern Extension, and Western Telegraph. The Merger company which the Conference has recommended will acquire all the ordinary shares of the Eastern Telegraph, Eastern Extension, and Western Telegraph Companies and all the ordinary, preference, and debentures, if any, of the Marconi Company. The fact that the Conference recommends that a Communications company should be formed to which the Cable and Marconi companies would sell all their communication assets in exchange for shares need not complicate the position. The revenue of the merger company will be derived from its holding of the ordinary shares of the cable companies and the whole capital of the Marconi Company. In other words, its revenue will consist of the dividends paid by the Cable companies out of (a) income from their gilt-edged and other non-cable investments; (b) income from their holding in the Communications company; and dividends paid by the Marconi Company out of (a) income from its holding in the Communications company; (b) income from non-traffic investments, if any; (c) income from the manufacture of wireless apparatus and the exercise of the wireless patent rights. Assuming that the Cable companies and the Marconi Company pay out in dividends the whole of their income, it is estimated that the merger company should have a revenue of over £3,000,000, made up of income from the Communications company, which is fixed at approximately 6 per cent. on the capital employed, giving a revenue to begin with of £1,865,000; income from the gilt-edged and non-traffic investments of the Cable companies, which is estimated at £750,000; and income from the Marconi manufacturing businesses and patent rights, which is estimated at about £500,000. The capital of the merger company has been fixed at £53,700,000, as follows:—5½ per cent. cumulative preference £1 shares, £23,500,000; 7½ per cent. non-cumulative "A" ordinary £1 shares, £21,200,000; "B" ordinary £1 shares, £9,000,000. The estimated revenue of £3,115,000 would be sufficient to pay the fixed dividends on the 5½ per cent. preference shares (£1,292,500) and on the 7½ per cent. non-cumulative "A" ordinary shares (£1,590,000), leaving only £232,500 available for the "B" ordinary shares, which is equivalent to a dividend of 2.583 per cent. A more optimistic estimate of the merger company's revenue would allow £750,000 as the income of the Marconi Company from manufacturing and patent rights, which would bring the total net revenue of the merger company to £3,365,000, allowing a 5 per cent. dividend to be paid on the "B" ordinary shares. If the capital of the merger company were to be valued in the market at par, it would give, according to the proposed allocations between Cable companies and Marconi, securities worth £36,350,000 to the ordinary shareholders of the Cable companies. As the ordinary

share capital of the Cable companies consists of £12,118,950, it means that every £100 of Cable company's stock would be worth £292. It is, however, unduly optimistic to assume that the "B" ordinary shares would stand at par. If the preference and non-cumulative "A" ordinary shares were quoted at par and the "B" ordinary shares at, say, 8s, £100 of Cable company's stock would be worth £277. This compares with the current market price of 258 for £100 of Cable company's stock. It is difficult to arrive at a comparative valuation of the Marconi Company shares. Assuming that the whole of the debentures are converted, Marconi shares, if a par value is taken for the "merger" company's stocks, would be worth 75s, and with the "B" ordinary shares standing at 8s the equivalent market value of Marconis would be about 60s.

Watney, Combe, Reid.—A number of the larger brewery companies closed their annual accounts on June 30th, and the first batch of results for the past year has been published during the last few days. The returns so far available suggest that brewery earnings have lately been stable. Such increases as are shown, however, in the trading profits of the various concerns are certainly not more than might have been expected, seeing that the previous year's accounts covered six months of the coal stoppage of 1926. Stability is the keynote of Watney, Combe, Reid's finance, as will be seen from the summary of the last three years' results, which follows:—

YEARS ENDED JUNE 30.				
		1926.	1927.	1928.
		£	£	£
Trading profit		1,919,671	1,955,885	1,963,116
Other receipts.....		434,563	454,551	457,162
Total gross income		2,354,234	2,410,436	2,420,278
Expenses and charges		1,066,216	1,069,701	1,054,795
Debiture interest		152,901	152,555	152,555
Total net income		1,135,117	1,188,180	1,212,928
Preference dividend		84,378	84,247	84,247
Preferred ordinary dividends		127,416	127,416	127,416
Deferred ordinary	{			
	{ Earned per £100 stock	29.0%	30.7%	31.4%
	{ Divi- Rate "tax payable"	17.0%	17.0%	19.0%
	{ dend Equivalent, "tax free"	13.6%	13.6%	15.2%
	{ Amount of dividend	541,521	541,521	605,227
Undistributed profits.	{			
	{ Added to reserve.....	350,000	400,000	400,000
	{ Inc. or dec. in carry forward +	31,803	34,936	3,962

There is a slow but persistent tendency for the receipts of this undertaking, from trading, rents, dividends, &c., to increase, while expenses show remarkable steadiness, so that the net earnings available for deferred stockholders have *risen from 29.0 per cent. to 31.4 per cent. in the last three years.* The prognostications of those persons who bought the stock in recent months in anticipation of an increase of dividend have proved to be well founded, the directors this year recommending a total distribution of 19 per cent. (against 17 per cent.) on a capital "restored" (after pre-war writings-down) by bonus distributions in 1922, 1924, and 1925. The reserve again receives £400,000, which will be spent on improvements of the company's properties. The balance-sheet, which is summarised on another page, shows fixed assets at £12,643,018, an increase of £323,873. Goodwill has been estimated at £3,000,000; of this total some £374,929 was set aside for depreciation last year, against £402,459 in 1926-27. Net working capital on June 30th last, at £1,620,439, showed little change from the figure of a year earlier. Visible reserves (including the year's additions and the carry-forward) are £1,632,152, against a deferred ordinary capital of £3,185,410. Highest and lowest prices for the deferred stock have been :—

	1925.	1926.	1927.	1928 (to Date).
Highest	392	296	290	320½
Lowest.....	210	253	254½	264

Deducting £12 final dividend, the stock, at its present price of 319½, gives a yield of £6 3s 7d. The figures given above suggest that a further increase of dividend next year is not to be regarded as a likely contingency.

Guinness's Year.—Although the experience of Arthur Guinness and Co. in the twelve months ended June 30th last was in every way satisfactory, trading profits again failed to reach the levels of 1924-25 or 1925-26, and the ordinary dividend remains at 28 per cent., free of tax, to which it was reduced last year from the 32 per cent., free of tax, previously paid. Revenue from sales of stout, &c., at £10,731,190, was £773,414 lower than in 1926-27, but taxation declined from £9,243,382 to £8,446,910. Revenue from investments showed a small increase, but last year's windfall of £260,838 (representing over-reservation for Corporation Profits Tax in 1925-26) had no counterpart this year, so that the customary addition of £200,000 to reserves involved a draft on the "carry forward" of £108,399, i.e., of slightly more than the amount by which the latter was increased a year ago.

YEARS ENDED JUNE 30.

	1926.	1927.	1928.
Gross trading profits (after paying taxation)	£ 2,640,847	£ 2,261,222	£ 2,284,280
Dividends and interest received	185,668	203,808	213,119
Other receipts (rents and transfer fees)	3,260	*264,082	3,190
Total gross receipts	2,829,775	2,729,112	2,500,589
Total expenses	210,855	203,581	188,988
Net earnings	2,618,920	2,525,531	2,311,601
Preference dividend	120,000	120,000	120,000
Ordinary:			
Earned per £100 stock "tax free" ..	33.3%	32.1%	29.2%
Paid: Rate "subject to tax" ..	40.0%	35.0%	35.0%
Equivalent rate "tax free" ..	32.0%	28.0%	28.0%
Amount of dividend	2,400,000	2,100,000	2,100,000
Undistributed (Added to reserve ..	200,000	200,000	200,000
Profits. Inc. or dec. in carry forward	101,080 +	105,531	108,399

* Including £260,838 Corporation Profits Tax over-reserved at June 30, 1926.

The balance-sheet reflects, as usual, the eminently sound financial position of the company. Practically no capital expenditure was incurred during the year on new works and extensions, fixed assets (including goodwill) standing at a net value of £5,749,534 on June 30th last, against £5,783,750 a year earlier. Book debts and stocks on hand, however, have both been significantly reduced during the year, the funds thus obtained being apparently utilised, for the most part, in purchasing high-grade investment stocks, which (at a valuation below market price) totalled £3,469,463 at the end of June last, an increase of £978,231 during the year. It would appear, however, that the new investments were acquired towards the end of the financial year, as the dividends received during the twelve months showed slight change from those of 1926-27. The benefit of their acquisition will therefore be felt from next year onwards. Creditors show a small reduction, the net working capital of the company (i.e., current assets less current liabilities) being £7,778,436 as compared with £7,726,618 a year ago. Visible reserves, including this year's allocation and the "carry forward," total £2,828,969, against an issued ordinary capital of £7,500,000. The Corporation Profits Tax reserve has now disappeared from the balance-sheet. Highest and lowest prices for the ordinary stock during recent calendar years are shown below:—

	1925.	1926.	1927.	1928
Highest	792	745	580	(to Date) 520
Lowest	492	550	420	440

At their present price of 465, less £16 final dividend, the stock gives a yield of £6 4s 8d, tax free.

Mitchells and Butlers.—This brewery company, with headquarters at Birmingham, which celebrated its fortieth anniversary this year, has shown a steady annual increase of earnings after a period of stagnancy lasting from 1921 to 1924. In contradistinction to the two large concerns whose 1927-28 results are commented on above, Mitchells and Butlers achieved a further significant expansion in net profits last year, earnings on its ordinary shares rising from 18.9 per cent. to 21.5 per cent. :—

YEARS ENDED JUNE 30, 1926.

	1926.	1927.	1928.
Net profits	£ 520,908	£ 558,111	£ 625,946
Preference ("A" pref. shares	24,000	24,000	24,000
Dividends ("B" pref. shares	24,000	24,000	24,000
{ Earned per share	17.5%	18.9%	21.5%
{ Rate "tax free"	13.0%	15.0%	15.0%
{ Paid: Equivalent rate "tax payable" ..	16.25%	18.75%	18.75%
{ Amount of dividend	349,853	403,677	403,677
Undistributed/Added to reserve	100,000	100,000	100,000
profits Inc. or dec. in carry forward ..	+ 23,055	+ 6,434	+ 74,269

Though the year's earnings would have justified an increase of, say, 2½ per cent. in the ordinary dividend, the directors have evidently preferred to follow the precedent set up in 1925-26, and await the results of another year before venturing on this step. The balance-sheet shows few significant changes as compared with a year ago, apart from a drop of £272,730 in the "creditors" item. In accordance with the terms of purchase of the Midland Brewery, £40,000 of the balance of the loan has been repaid, leaving only £40,000 of the original loan of £400,000 outstanding. Fixed assets stand at £5,528,171, an amount which includes no goodwill. Apart from a small item of £22,252 for investments, the company is entirely self-contained, no shares being held in other concerns, while the reserve (which, with this year's allocation, totals £1,125,000) is invested in the business. The £1 ordinary shares have fluctuated between the following limits during recent calendar years:—

	1925.	1926.	1927.	1928 (to date).
Highest	2½	2½	3½	3½
Lowest	2½	2½	2½	3½

The present price of £3½ includes 2s final dividend, and gives a net yield of £4 8s per cent., tax free. Prospects for ordinary shareholders are attractive, provided the company is able to maintain its recent rate of progress. The directors, however, might well consider the advisability of following the example of other successful brewery enterprises, and accumulating a portfolio of high-grade securities which would provide an insurance policy against future trade fluctuations.

Imperial Chemicals and the Salt Union.—We are asked by the secretary of Imperial Chemical Industries, Limited, to say that the statement which has appeared in certain newspapers (not in the *Economist*) to the effect that Imperial Chemical Industries, Limited, has made an offer to acquire the shares of the Salt Union is absolutely untrue. No proposal to acquire Salt Union shares has ever been made by Imperial Chemical Industries, Limited, nor has such a course ever been discussed by the latter company, or even contemplated by them.

International Railways of Central America.—A correspondent writes:—While the industrial and commercial interests of the three States—Guatemala, Honduras and El Salvador—in which the International Railways of Central America are concerned, have progressed little more than normally during the past financial year, the actual business done by the railways has again consistently improved. This is likely to be stressed in the next monthly statement to be issued by the company. It has long been the object of the directorate of the International Railways, closely allied as they are with the directorate of the United Fruit Company, permanently to amalgamate the working departments of the two concerns, and it is understood that a mutually satisfactory operative arrangement has now been arrived at. The United Fruit Company will acquire a substantial financial stake in the fortunes of the International Railways which carry so much of their produce, and whose lines were, in part, originally constructed for that purpose. The control, which will now be more joint than previously was the case will, in fact, undergo little real change, for the railways and the produce managements have always worked together so closely and so harmoniously that any fresh development can be little more than formal. The next report of the railways should show a gratifying state of

affairs so far as traffics and gross operating revenues are concerned. For the first half of the current year there has been an increase in the receipts of more than £100,000 compared with those of last year, while the track and rolling-stock of the lines operated are said never to have been in better condition, as, indeed, might be expected from the liberal outlays that have been made upon their construction and maintenance. While the £10,000,000 5 per cent. preferred stock of the International Railways Company have received regular cumulative dividends since 1924, nothing has been paid, so far, on the \$30,000,000 of common stock.

New Capital Issues in July.—In the table below we show the new capital raised in London in July and in the first seven months of the year in comparison with the corresponding periods of 1927, together with the monthly averages for preceding years.

(000's omitted.)

Monthly Average.	United Kingdom.	British Possessions.	Foreign Countries.	Total.
1912 and 1913 ..	£ 3,387	£ 6,199	£ 7,388	£ 16,974
1924	7,051	6,023	4,370	17,444
1925	12,918	5,077	1,356	19,351
1926	10,765	4,431	4,036	19,232
1927	17,240	8,318	4,039	29,597
	Govt.	Other.		
January, 1927 ..	69,854	7,733	13,441	91,028
February, 1927 ..	nil	13,162	4,987	18,149
March, 1927	Dr. 1,600	26,756	2,058	30,314
April, 1927	Dr. 700	10,101	3,968	14,769
May, 1927	Dr. 350	18,550	9,225	28,225
June, 1927	Dr. 50	13,568	633	13,751
July, 1927	Dr. 300	11,587	7,759	19,646
Total 7 months, 1927	66,404	101,457	42,101	210,000
January, 1928 ..	86,861	12,802	10,055	109,718
February, 1928 ..	Dr. 250	24,972	2,471	25,493
March, 1928	Dr. 900	10,872	9,077	21,749
April, 1928	Dr. 250	10,707	4,523	11,680
May, 1928	Dr. 300	18,590	8,381	27,271
June, 1928	Dr. 100	21,368	5,671	27,139
July, 1928	Dr. 250	17,858	11,382	29,490
Total 7 months, 1928	85,011	117,169	51,560	253,740

The debit of £250,000 under the head of British Government operations for July, 1928, represents the excess of encashments over sales of National Savings Certificates. This item has been a recurrent feature of the recent returns, and is due to the fact that the earlier certificates of the first series, which afforded the most generous terms to the public, are now reaching the end of their normal ten years' currency. There was one Colonial Government loan during the month, namely a £7,000,000 5 per cent. loan, 1945-75, issued at 98. East London, Brisbane, and Dublin were the three Colonial corporation borrowers, and they took a round three millions between them. The only Foreign Government loan was that of the State of San Paulo for £2,750,000 6 per cent. stock, issued at 94½. Trust and finance companies were again prominent, accounting for about £2,400,000 altogether. There was a batch of brewery issues, and another of estate and land issues. Hotels, theatres, films, &c., were, as in June, below the spring level, but there was a welcome reappearance of shipping issues. The general flow of issues relating to "luxury" and other trades, patent processes, and similar miscellaneous shares, ranging from the "very sound" to the "ultra-speculative," maintained the rapid pace with which the market had been made familiar earlier in the year.

Bisichi Tin.—At one time last year, writes our mining correspondent, the shares of this Nigerian enterprise were the subject of active speculation to the accompaniment of rumours as to buying for control, absorption, and so forth. In the end the announcement was made that an agreement had been come to with the Nigerian Base Metals Corporation whereby the latter secured considerable participation in the undertaking with options on unissued shares. The outcome of this arrangement is an exceptionally strong cash position. At the date of the balance-sheet the company's cash stood at £74,000, and

since the date of the accounts the whole amount due on the partly-paid shares has been called up, adding £108,950 to the company's liquid resources. From the standpoint of production, however, last year's results were poor. Pending the installation of new machinery, the output was on a reduced scale, and the metal, of course, was sold at a lower price than before. Hence the working profit amounted to only £5,000 in place of £14,400, and after providing for depreciation and taxes there was a deficit of £7,000. The mechanical excavators which have been installed are now in operation, and should raise the output during the remainder of this year. The directors say nothing at all on the important question of ore reserves. In this respect the company has occupied a unique position among its *confrères*, and the omission seems remarkable. Possibly it will be made good at the meeting.

Ropp Tin.—This Nigerian tin proposition—at one time the largest dividend-payer of the field—continues its retrograde tendency. Last year's profit amounted to no more than £48,600, as against £94,200 in 1926, entailing a substantial reduction in the dividend total. The 10 per cent. now declared makes 30 per cent. for the year in place of 55 per cent. in respect of 1926 and 65 per cent. on account of 1925. The reason for the shrinkage in earnings lies in the reduction in the output as well as in the average market price received. Last year approximately 873 tons were realised for an average of about £270, as compared with 1,196 tons and £292 in 1926. Once again mining costs show an increase. The new steam-power plant, which came into operation in May, should, the directors state, "materially reduce working costs and increase output." At 7,774 tons the fully-developed ore reserves display a shrinkage of some 620 tons, but an estimate is now given of the partially proved reserves, these being placed at 5,120 tons. Unfortunately no idea is afforded as to the value per ton of ground. It is announced that some encouraging prospects have been found. In view of the statements above referred to, and of the recent rally in the price of tin, it would look as though the shareholders may anticipate better results in the future. On the basis of last year's dividends the return on the shares is over 12 per cent.

NEW ISSUES OF THE WEEK.

A RECEDING tide always reveals some refuse left behind. The simile is particularly applicable to a receding tide of new issues. Indeed, when the tide is down it may be found that some of the flotation refuse has a distinctly unpleasant smell. We are referring more to normal experience than to this week's issues, which amount to £3,796,600, as compared with £5,349,250 last week, and nil a year ago. The most important of the industrial issues this week was the offer by Messrs Cull and Co. for sale at par of £2,000,000 7 per cent. first cumulative preference shares of British Celanese, Limited. This company's thirst for capital appears insatiable. Another artificial silk flotation was the issue of 288,000 8 per cent. participating preference shares of 10s, and 576,000 ordinary shares of 2s by Linen and Artsilk, Limited, which takes over some Ulster weaving mills for the manufacture of fine linens and damasks, and of a new linen artificial silk fabric by a special process. Until production of this new material on a commercial scale has been reached, the shares must be regarded as very speculative. Robinson and Pickford (1928), Limited, issued £100,000 in 8 per cent. preference shares of £1, and 300,000 ordinary shares of 5s, for the purpose of acquiring a Leicester business of fancy hosiery, artificial silk underwear, and woollen goods manufacturers. The vendors received no less than £135,000 in cash and 300,000 ordinary shares, being 50 per cent. of the equity. Apart from textiles, there were issues of ordinary shares by a motor manufacturing company—Hispano Suiza Motors—by a sound-film venture, French Phototone, which acquires two-thirds of the capital of the French Brunswick Gramophone Company; by another gramophone record company—Worldcho Records; and by a fur farming company called Consolidated Fur Farms. Worldcho issued 562,500 shares of 2s to the public, and

allotted 500,000 shares of 2s to the vendors of a business which has not been running commercially, and is speculative in the extreme. Nevertheless, the issue was oversubscribed. Consolidated Fur Farms goes even one step further towards the region of gambling. The prospectus gives some photographs of Chinchilla rabbits, but contains no figures of earnings for the concerns which are taken over, and no independent valuation of the assets acquired. It is extraordinary that the public can be induced to subscribe on a prospectus of this unsatisfying type. Finally, there were issues of a finance company and an investment trust company. The Belgian Finance Company, which will promote and invest chiefly in Belgian undertakings, offered 500,000 ordinary shares of £1 at par. The issue, which was not underwritten, was made by the Scottish Finance Company, which has already floated several Belgian undertakings, and should therefore be in the position to procure business for its new concern. The investment trust issue was that of Trans-Oceanic Trust, a subsidiary of the United States and British International Company, formed this year under the strong auspices of American Founders Trust, Messrs Helbert, Wagg and Co., and Robert Benson and Co. This company's issue, which has been over-subscribed, was of the remaining 50,000 shares of £10 at £10 2s 6d, being the price at which the original 500,000 shares were placed. It is refreshing in these declining days of new issues to have one which is not speculative, and which is sponsored by well-known and conservative financial houses.

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
Amount previously recorded, 273,803,556.				
ISSUES OF THE WEEK.				
NATIONAL SAVINGS CERTIFICATES. Net Sales, week ended July 23, 1928, Dr £150,000. Total Receipts April 1, 1928, to July 28, 1928, Dr £700,000.				
To the public—				
British Celanese, 2,000,000 7½% 1st Cum. Pref., £1, at par (Aug. 1) ..	2,000,000	2,000,000	250,000	1,750,000
Trans-Oceanic Trust, 50,000 Shs., £10, at £10 2s 6d (Aug. 1) ..	500,000	506,250	50,000	456,250
Belgian Finance Co., 500,000 Shs., of £1 each, at par (July 30) ..	500,000	500,000	62,500	437,500
French Phototone, 600,000 Ord., 5s, at par (Aug. 1) ..	150,000	150,000	30,000	120,000
Robinson and Pickford (1928) Limited, 100,000 8% Cum. Pref. Shs. of £1 each, at par Do 300,000 Ord. Shares of 5s each, at par (July 30) ..	100,000	100,000	12,500	87,500
Linen and Art Silk, Ltd., 238,000 Cum. 8% Pref. Shs. of 10s each, at par Do 576,000 Ord. Shs. of 2s each, at par (July 31) ..	144,000	144,000	14,400	129,600
Hispano Suiza Motors, Limited, 320,000 Shares of 5s each, at par (July 31) ..	57,600	57,600	14,400	43,200
Worlddecho Records, 562,500 Shs., 2s, at par (Aug. 1) ..	77,500	77,500	15,500	62,000
Consolidated Fur Farms, 520,000 Ord. Shs., 5s, at par (Aug. 2) ..	56,250	56,250	28,125	28,125
Total offered to the public ..	3,796,000	3,796,000	527,925	3,268,075
To Shareholders only—				
Moat Nickel, 600,000 Ord. 10s, at £3 5s ..	300,000	1,950,000	600,000	1,350,000
Lancashire Shipping, £200,000 5% Debts, at par ..	200,000	200,000	50,000	150,000
Golden Horse-Shoe Estates, 600,000 Pref. Ord. 5s, at par ..	150,000	150,000	75,000	75,000
Total to shareholders only ..	2,300,000	2,300,000	725,000	1,575,000
Total offered for subscription to date ..	6,096,000	6,096,000	1,252,925	4,843,075
1928 ..	273,752,156	273,752,156	355,165,970	238,586,186
1927 ..	235,959,387	235,959,387	230,782,901	195,176,486
1926 ..	141,209,482	141,209,482	232,214,500	109,094,982
1925 ..	125,953,892	125,953,892	209,325,100	96,628,792
1924 ..	127,809,754	127,809,754	271,393,173	106,416,627
1923 ..	201,903,067	201,903,067	573,875,650	201,903,067

Comments on the new issues, summarised below, will be found at the head of this section.

British Celanese, Limited.—Offer for sale at par of 2,000,000 (out of 3,500,000) 7 per cent. first cumulative £1 preference shares. The company, which carries on an artificial silk manufacturing business, made profits of £864,889 in the year ended February 29th last, as compared with £223,194 in the previous year. The offer gives particulars of a rearrangement of the company's capital, which is being carried through.

The Trans-Oceanic Trust, Limited.—Issue of 50,000 £10 shares at £10 2s 6d. The company was formed in January last, and had previously issued £500,000 of capital, held by the United States and British International Company, Limited, an American investment trust under the management of the American Founders' Trust. A valuation of the Trans-Oceanic Company's investments showed a surplus over book value on June 30th last, 95.6 per cent. of the whole has a Stock Exchange quotation in Great Britain or abroad. After subscription, the shares will be converted into preference and ordinary stock in the proportion of 6 to 4.

Belgian Finance Company, Limited.—Issue at par of 500,000 £1 shares. Formed to carry on a general financial business, with special reference to Belgian undertakings. The directors are closely concerned with Verellen, Limited, Meuris, Limited, and Lamot, Limited.

Linen and Art Silk, Limited.—Issue at par of 288,000 (out of 440,000) 8 per cent. cumulative participating 10s preference shares and 576,000 (out of 1,300,000) 2s ordinary. The preference are entitled to 25 per cent. of surplus profits. The company acquires certain weaving mills and factories in Ulster, and will manufacture fine linens and damasks by a linen-artificial silk process. The properties are valued at £320,986, the purchase price being £218,000, including £98,000 in cash.

Robinson and Pickford (1928), Limited.—Issue at par of 100,000 8 per cent. £1 cumulative preference and 300,000 (out of 600,000) 5s ordinary shares. The company acquires a fancy hosiery business at Leicester, with net assets shown at £210,000 (including £12,640 goodwill), for a purchase price of the same amount, payable as to £135,000 in cash and the remainder in ordinary shares. Profits have been:—1923, £26,441; 1924, £28,075; 1925, £30,058; 1926, £29,645; 1927, £37,092.

French Phototone, Limited.—Issue at par of 600,000 (out of 1,000,000) ordinary shares of 5s. The company has been formed to supply sound and talking films, synchronised "effects," and the reproducing apparatus known as the "Phototone" to theatres in France. Two-thirds of the issued share capital of Compagnie Française des Photographes et Disques Brunswick is being acquired, the latter company being an offshoot of the Brunswick-Balke-Collender Company of America, and of British Brunswick, Limited.

Hispano-Suiza Motors, Limited.—Issue at par of 310,000 (out of 400,000) 5s shares. The company acquires the exclusive right for 21 years to assemble and sell Hispano-Suiza cars and chassis in Great Britain, and takes over the agents' business of Albemarle Motors, Limited, London. Net assets, including the proceeds of this issue, are £61,993. Profits of Albemarle Motors have been (to December 31st):—1925, £6,513; 1926, £5,031; 1927, £5,061; 1928, £5,044.

Worlddecho Records.—Issue at par of 562,500 (out of 1,250,000) 2s shares. The company acquires the exclusive licence to manufacture the Worlddecho record in Great Britain and Northern Ireland, with a factory at Shoreditch, for a purchase price of £65,000, payable as to £15,000 in cash.

Consolidated Fur Farms, Limited.—Issue at par of 520,000 (out of 800,000) 5s ordinary shares. The company proposes to breed fur-bearing animals—silver fox, musquash, &c.—in England, and will acquire property in Kent and Shropshire, the controlling interest in a Bolivian chinchilla concession, interest in two Canadian companies, and a Canadian breeding ground. The purchase price is £100,000, including £30,000 in cash. No independent valuation of assets, and no figures of past profits are given.

Particulars have been issued of the following, for public information only:—**Carter and Co., Limited**, issued capital £234,000, terra-cotta and pottery manufacturers and builders' supply merchants; **Stoneware (1928), Limited**, issued capital £248,781, manufacturers of sanitary drainpipes and blue engineering bricks; **Ebonite Container Company, Limited**, authorised capital £60,000, manufacturing specialists to the accumulator and electrical trades; **Registry Investment Trust, Limited**, capital £500,000, formed to carry on an investment trust business, in co-operation with Investment Registry, Limited; **Berry's Electric (1928), Limited**, authorised capital £225,000, formed to acquire an electrical apparatus and appliances manufacturing business; **Bridgwater and District Electric Supply and Traction Company, Limited**, issued capital £72,639, incorporated in 1902, area of supply is now 137 square miles in the Bridgwater district.

Railway Traffic Figures, Summaries of Balance Sheets, Short Notices on Company Reports, &c., will be found on later pages of this issue.

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COMPANY MEETINGS, &c.

THE OAK INVESTMENT CORPORATION, LIMITED.

SUCCESSFUL RESULTS.

GROWTH OF THE TRUST COMPANY MOVEMENT.

MARQUESS OF WINCHESTER'S VIEWS.

The first ordinary general meeting of the Oak Investment Corporation, Limited, was held, on the 30th ultimo, at Winchester House, Old Broad street, London, E.C.,

The Marquess of Winchester (the chairman) presiding.

The secretary (Mr A. E. Tabor) having read the notice convening the meeting and the auditors' report,

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—This is our first annual general meeting, and I presume you will take the report as read.

It is usual first to deal with the accounts, but this time I am going to devote my opening remarks to whether or not we have, in our first year, fulfilled the forecasts of our prospectus.

What did we say in that document? Nothing more than that the trust company movement was a popular form of investment; that it enabled the small investor to distribute his risks, and that, further, as directors, we felt that in our various spheres of activity we considered that we were in a position to influence business to your general advantage. Well, gentlemen, it is for you to say whether or no we have made good.

FINANCIAL ACTIVITY.

I was interested in reading the address of one of our most respected financiers, the doyen of trust companies' chairmen. Briefly, he viewed with some apprehension the abnormal recent growth of the trust company movement on the ground that there were not sufficient securities of a trust company nature to absorb all the capital subscribed by the public, and that therefore trust companies would in many instances, if they were to utilise their funds to advantage, have to rely upon investments of a more speculative character than they had done in the past. I admit that this opinion from such a weighty authority demands consideration. However, I believe this: that the increasing savings of the nation must tend to create the securities. During the past year the volume of new issues has been immense. I will not weary you with figures; I merely mention this to show that during the past twelve months there has been remarkable financial activity. The stabilisation of foreign currencies in those countries which have been most backward in recovering from the effect of the great upheaval of the last decade must create opportunities for the investment of capital on sound lines—France especially.

There is also the question of what the normal rate for money will be in the future—I cannot imagine that in our time we shall meet again with pre-war financial conditions. The rate of interest, in my opinion, will for a long time to come be at least 1½ per cent. higher than in pre-war days. In spite of high taxation there seem to be ample supplies of capital for investment purposes.

SAVINGS OF THE NATION.

I have, therefore, examined the savings of the nation. I find that in 1926 there were 10,427,546 active deposit accounts in the Post Office Savings Banks, representing £283,658,417 due to depositors; trustee savings banks with £83,396,001, exclusive of sums representing money, stocks and bonds; Savings Certificates, £375,575,390, or an amount exceeding £742,000,000. From my acquaintance with the small investor, who now supplies the chief strength in applications for corporation stocks, I assume that the Post Office and Savings Certificate depositor of to-day becomes the investor in corporation stocks to-morrow, and from that field of investment the transition to investment in sound and conservatively managed trust companies is not a leap in the dark from 4½ per cent. to 5 per cent.; the small investor may attain with almost equal security to 6 or 7 per cent.

DISTRIBUTION OF INVESTMENTS.

For instance, I have here a certificate showing that our investments, which are shown in the balance-sheet at £778,872, are invested in:—

Treasury Bank bills, British Government and Corporation securities	54.05 per cent.
Ordinary and deferred ordinary stocks and shares	21.77 per cent.
Preference stocks and shares	18.15 per cent.
Foreign Government bonds and debenture stocks	6.03 per cent.

In round figures, nearly 60 per cent. of our capital is invested in gilt-edged, while the balance is almost equally divided between

preference stock and ordinary and deferred ordinary stock and shares. Of the unquoted securities, £37,739, £20,000 have since the date of the balance-sheet been realised. I may be criticised for having nearly 40 per cent. of our liquid resources in the latter category, but I am of opinion that if you pursue a consistent policy and select the best commercial risks, spreading your interests over various selected industries, you incur very slight risk of loss with possible chances of increased capital appreciation, while if you confine your operations to purely gilt-edged investments and debenture stock, the chances of capital appreciation are relatively small.

PRELIMINARY EXPENSES ELIMINATED.

I will now turn to the accounts. The net profit for the period of approximately 14 months (although you must remember our last call was only made at the end of April) is £135,329. Our gross profit was £155,476, the difference being accounted for by management, office rent, audit, accountancy fees and general expenses and income-tax.

Sundry debtors stand at £23,589, against £35,807; loans payable and interest accrued, £74,318, against £13,168.

If you approve our recommendations, we shall eliminate from our balance-sheet the item £36,807 for preliminary expenses. After making provision for income-tax and transferring £20,000 to reserve, we suggest the payment of a dividend at the rate of 7 per cent., less tax, with £15,022 as our carry-forward.

I wish, before closing, to express my thanks and those of my colleagues to Mr Edmund Daniels and Mr Gialdini, and to our secretary, Mr Tabor, for the constant care and attention which they have each accorded to your interests, which has resulted in the satisfactory statement that I have been able to lay before you.

I now beg to move: "That the accounts for the period ending May 31, 1928, be and they are hereby received and adopted."

Mr Edmund Daniels (managing director) seconded the motion.

TRIBUTE TO THE DIRECTORS.

The Chairman having replied to questions,

Mr Thomas Keen said he would like to express the appreciation of the shareholders of the manner in which the affairs of the company had been conducted during the past year. What appealed to him more than anything else was that, in spite of the profit which had been made, the actual distribution in the first year was less than 40 per cent. of the amount which was available for dividend. The remainder had been applied in transfer to reserve and in the very bold course of writing off in the first year the whole of the preliminary expenses, including the underwriting. That was the sort of policy, he considered, which gave the shareholders of the company more confidence in the administration of the board than anything else they had done, and he heartily congratulated the directors upon it.

The resolution was carried unanimously.

The Chairman then moved: "That a dividend at the rate of 7 per cent. per annum on the issued capital be paid forthwith."

Sir Ernest Hiley, K.B.E., seconded the motion, which was unanimously adopted.

The Chairman proposed that Mr John Gialdini (assistant managing director), who retired in accordance with Clause 78 of the articles of association, be re-elected a director.

Mr Geo. F. Forsdike seconded the resolution, which was unanimously approved.

On the motion of the Chairman, seconded by Mr Robert O. Crichton, the directors retiring in rotation (Sir Ernest Hiley and Mr G. F. Forsdike) were re-elected.

The auditors (Messrs Whinney, Smith and Whinney) were re-appointed, on the motion of Mr W. D. Moore, seconded by Mr T. Goldfinch.

VOTE OF THANKS TO THE CHAIRMAN.

Sir Ernest Hiley, in proposing a vote of thanks to the Chairman for the able way in which he had presided over the meeting, said that he gave very great attention to the affairs of the company, as he (the speaker) could testify, and he thought that the Chairman's conduct in the chair and the speech he had delivered were most gratifying.

The motion was unanimously accorded, and the Chairman having briefly acknowledged the compliment the proceedings terminated.

ANGLO-DUTCH PLANTATIONS OF JAVA, LIMITED.

INCREASED PROFITS—RUBBER AND TEA POSITION.

The eighteenth ordinary general meeting of the Anglo-Dutch Plantations of Java, Limited, was held, on the 27th ultimo, in London, Colonel Sir Robert Williams, Bt. (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: The dividend and interest received from our Java companies amounted to £447,757, as compared with £403,384 in the previous year, so that they gave us an additional profit of over £44,000 as compared with 1926. Although our 1926 profits were swollen by £36,000 drawn from exceptional sources, we are able in 1927 to show a profit of £20,000 more than for the previous year at a figure of £424,623. To this figure we have to add £110,603 carried forward from the previous year's accounts. The appropriation of this sum has been the subject of much serious consideration. This time last year the position and prospects of our main products appeared good and to be assured for some time ahead. The position now is so much the reverse that we have felt it essential to be conservative. By proposing a total dividend for the year of 12½ per cent. we are enabled to add £100,000 to our contingencies reserve, bringing this to £250,000; to add £20,000 to the staff pension fund, bringing this to £40,000; and after so doing to increase slightly our carry forward by £17,84.

RESULTS FROM DIFFERENT PRODUCTS.

Turning to the local balance-sheet, you will notice that tea, giving a gross profit of slightly under £300,000, was more than £50,000 better than in the previous year; rubber, with a profit of £413,000, was £100,000 less; whilst quinine and teak, at £27,000 and £25,000 respectively, both show a small improvement on the previous year. However, the profit from the quinine harvested during the year was not as large as the balance-sheet figure would lead one to expect, as £13,000 were arrears of profit in connection with the years of 1925 and 1926, which were only available when the unit price for those years was finally fixed in the beginning of 1927.

The Goeboek Company (Soekaboemi Estate), which is one of the Java subsidiaries, being mainly coffee but with a small area of tea, gave a gross profit last year of nearly £19,000, against a loss in 1926 of about £9,000, whilst a distinctly satisfactory feature is the change over on sisal from a loss of roughly £1,000 to a gross profit of nearly £22,000. There were, however, some disappointing losses, the greatest of these being in connection with tapioca, which again showed a substantial loss approximately £45,000, and though this was £10,000 less than in the previous year, it is undoubtedly the most unsatisfactory feature in the year's results. As far as coffee is concerned, the approximate loss of £18,000 shown in the balance-sheet must be read in conjunction with the profit of the Goeboek Company, which made a gross profit from its coffee of £18,000. Thus the final result from the coffee had no effect on the profit and loss account.

That rice shows a loss of about £2,300 is a great disappointment, as at one time it looked as if there would be a substantial profit. Unfortunately, late in the season the price of rice fell considerably.

RUBBER.

Rubber again figures foremost as our chief revenue producer. Our planted acreage at December 31st was 30,278 acres, of which 24,921 were in bearing. Some additional acreage could have been brought into bearing, but owing to restriction the directors considered it advisable to leave them untapped as long as possible. Under the restriction scheme our standard allowance for the year ending October 31st last was just under 11,000,000 lbs, and our exportable quota, including the coupon allowances brought forward from the previous year, slightly under 8,500,000 lbs. The crop harvested from January to December amounted to 9,112,151 lbs, as the directors considered it advisable to keep at least one month's production in stock. The directors decided that the whole of the stock held in Java should be taken into the accounts at cost price. This had a marked effect on our net selling price, which was 1s 4½d Java. Another item of interest is the satisfactory reduction in the cost price, notwithstanding the restriction which had to be exercised. This reduction was from 10d in 1926 to 8½d in 1927, and it is important to bear in mind that the cost included over 1½d lb for staff bonuses and Java income-tax, both of which are largely dependent upon profits, so that were rubber selling at any time at cost or under cost there would be a further big saving in both these items. Another satisfactory feature is that a further 1½d lb is accounted for by the depreciation and amortisation reserves.

PROSPECTS.

Shareholders will naturally be anxious to know our prospects under the new and changed conditions which have suddenly come

into being. Last year I made a forecast that we might see a prosperous rubber industry with a price of at or under 1s, but only if two essential conditions were fulfilled—a very much increased production per acre, with a corresponding reduction in cost. The sudden announcement of the withdrawal of restriction caused the price to fall very considerably below 1s, but, unfortunately, my first essential to ensure an adequate profit is at the moment non-existent. Great strides undoubtedly have been made in bud grafting and seed selection. Many of us hope and believe that when the knowledge possessed to-day on these two subjects can be brought into practical operation a large increase in yield will be forthcoming, but there is not, as yet, enough acreage planted under these highly selective methods to influence the future prosperity of the industry. General high yields resulting from the most up-to-date methods of planting are still, in my opinion, some years off. It is true that year by year improvements in planting methods, in planting material, and in tree selection are showing some slight influence on the average yield of rubber which is being obtained per acre, but this is still small, and reduction in cost beyond a certain point becomes an impossibility. Our average yield in 1927 was 391 lbs an acre, notwithstanding a restricted crop.

With regard to the sale of rubber, we continue to deliver so far the greater part under our contract to the General Rubber Company in the form of sprayed rubber, manufactured in our two plants. Deliveries have continued satisfactorily and without complaints. The terms of the contract are that we received for our rubber, ex spray factory Java, the average daily spot price London. When the price of rubber is as low as it is to-day the premium we receive by this method of calculation is advantageous.

During this year the board have inaugurated third-day tapping throughout our rubber estates, and are gradually getting back to full production on this system. The crop for the half year to June 30th last amounted to 3,913,400 lbs, as against 5,200,776 lbs for the first half of last year. The crop for the year should be between 9,000,000 and 10,000,000 lbs, but depends to a large extent on how quickly we are able to get back into full production on the system adopted. Until October 31st we are continuing to adhere to the voluntary restriction of export.

EXCELLENT YEAR FOR TEA.

We enjoyed an excellent year for tea, climatic conditions being really good. After the two rather severe droughts of 1925 and 1926 there was no prolonged dry season last year, and crops consequently made a very big advance. Notwithstanding the general increase in the tea crops in Java throughout last year, the Kampong leaf we purchased amounted to 1,019,000 lbs, and showed a substantial decrease against the preceding year, when we purchased 1,208,900 lbs. The Estate leaf amounted to 12,103,572 lbs, against 9,459,094 lbs in 1926. Good as the climatic conditions for crop were, it must not, however, be supposed that this large increase was solely due to this reason. There is no doubt that the improvement on all our estates has also been a large factor in the satisfactory result. Mr Strutt, at the meeting in 1926, stated that the board would not be satisfied until they had raised the tea production over the whole area to at least 600 lbs per acre, the figure that year being 459 lbs. Last year the yield reached 605 lbs per acre. The estimate for this year is about 14,000,000 lbs, as against 13,122,891 lbs Estate and Kampong leaf for last year. The crop for the first six months has amounted to 7,780,560 lbs. The market for tea is less satisfactory than it was this time last year. The statistical position shows much heavier stocks than for some years past, and these naturally act as a deterrent to buyers. On the other hand, we are in the position of having sold half our estimated output for 1928 and the two following years at 1s 3d a lb, London landed terms, an undoubtedly satisfactory figure as the market is at present.

COFFEE.

Our coffee areas can be divided into three parts—some 3,300 acres on Soekaboemi, 1,767 acres on Kalimas, and about 1,362 acres on the P. and T. Estates. The Soekaboemi area is the mainstay of our coffee, and one to which we look chiefly in the future to give good profits. Out of a total crop of approximately 17,000 cwt obtained last year Soekaboemi alone was responsible for 14,000 cwt, and showed the satisfactory gross profit of £18,000 on this crop. Kalimas is at present in a transition stage, and this property largely accounts for the loss made under this heading. The prospects from coffee for the current year are brighter. The estimate is nearly 25,000 cwt, and if this crop materialises and the price continues at to-day's satisfactory level, we should see better results from coffee than we have seen for many years past.

Mr G. H. Masefield seconded the resolution, which was carried unanimously, and the dividend recommended was declared.

MALAYALAM PLANTATIONS, LIMITED.

INCREASED CROPS—POSITION OF RUBBER INDUSTRY.

The seventh ordinary general meeting of the Malayalam Plantations, Limited, was held, on the 30th ultimo, at 2, Idol lane, London. Mr H. J. Welch (the chairman) presided.

The Chairman, in moving the adoption of the report and accounts, said that the tea crop harvested during the past financial year amounted to 9,165,560 lbs, being an increase of 224,000 lbs upon the previous crop. The estimate for the current year was 9,283,000 lbs, and for the three months ended in June 3,003,469 lbs had been harvested, showing an increase of over 800,000 lbs as compared with the corresponding period last year.

The rubber crop harvested was 3,168,292 lbs, being an increase of 320,000 lbs over that of the previous year. The average net price realised was 1s 2.78d per lb, against 1s 6.47d in the previous year. For the three months ended in June last 1,183,761 lbs had been harvested. Including the crop of 316,563 lbs from the estates of the Mooply Company, purchased as from April 1, the crop harvested showed an increase of 391,081 lbs over the same period last year. A cable just received stated that the estates were in good order, labour satisfactory, and crop prospects were good.

The total book cost of the properties, buildings, machinery, and plant at the date of the balance-sheet was £1,452,584. If the surplus of liquid assets over liabilities, amounting to £333,893, was deducted from the issued capital, the present net cost of the planted acreage was just over £37 per acre, without allowing any value for reserve land on the one hand or anything for the cost of bringing the immature areas into bearing on the other.

The year's working had resulted in a total profit of £270,913. The directors recommended a final dividend of 7½ per cent., making 15 per cent. for the year; a contribution to the staff retirement fund of £4,000; and the transfer of £50,000 to taxation reserve, leaving £91,230 to be carried forward, against £54,510 brought in.

PURCHASE OF MOOPLY VALLEY RUBBER ESTATES.

Since the close of the financial year the company had completed the purchase, as from April 1st, of the Mooply Valley Rubber Company's estates, which comprised 5,511 acres, of which 4,872 acres were planted with rubber. The property was well equipped with up-to-date factories, bungalows, and estate buildings, and the rubber was reported to be fully equal to the best in South India. Including the cost of spraying, the cost f.o.b. was 6.21d per lb. In addition to the estates, the company received £31,000 in liquid assets from the vendors. The total purchase price was £187,500, payable in fully-paid shares at par, which, after allowing for the liquid assets referred to, but making no allowance for the value of the unplanted area, was at par equal to approximately £32 per planted acre.

With regard to the statistical position of tea, the stock in bond in Great Britain and Northern Ireland had shown a marked decrease month by month, as was customary during the spring and early summer, but at June 30th it stood at 34½ million lbs in excess of the stock at the same date last year. The latest reports available indicated that production in the Middle East was 20½ million lbs ahead of the corresponding figures a year earlier. The further course of the market would mainly depend on the size of the crops made during the next few months, the output from Northern India during July, August, and September being the most important factor.

RUBBER POSITION AND OUTLOOK.

As to the rubber position and outlook, the two uncertain factors of the production side were still the output of Dutch native rubber and the further accumulation of rubber inside the restriction areas. The exports of Dutch native rubber during the first half of the year had shown a substantial decrease, but it was believed that there had also been a definite contraction in output. Meanwhile the steady reduction of stocks outside the restriction areas was a definite fact. By the end of October, when the restriction scheme came to an end, the total reduction was likely to be greater than the accumulation of surplus rubber in the restriction areas. By the beginning of next year the effect of low prices in depressing the use of reclaimed rubber and competitive substitutes and in stimulating increased consumption of crude rubber would, it was hoped, be making itself felt. In his opinion, therefore, although there might be short periods of depression, there was a reasonable prospect of a gradually improving market.

In conclusion, the chairman said that since the fortunes of the company were bound up with the general trend of market prices, they doubtless would in the future have periods of depression, but, looked at from the point of view of the permanent investor in plantation companies, he thought the shareholders had no reason to be dissatisfied either with the security for their capital or the prospects of a good average dividend return upon their investment.

The report and accounts were unanimously adopted.

PANAMA CORPORATION, LIMITED.

NOTABLE PROGRESS—VALUE OF COMPANY'S CONCESSIONS GREATLY ENHANCED.

The annual general meeting of the Panama Corporation, Limited, was held, on the 31st ultimo, at Winchester House, Old Broad street, London, Mr D. Elliott Alves (chairman of the company) presiding.

The Chairman, in moving the adoption of the report and accounts, said that it had been decided that sufficient progress had been made on the area named Remance to justify the formation of a separate company.

Reefs extending over an aggregate of eight miles were situated in that area. Developments had not gone below 415 feet from the surface, but were still in ore. It might be that as developments proceeded at greater depth richer ore would be exposed, and in any event it had already been demonstrated that considerable bodies of ore already existed. Briefly, the Remance position (Panama No. 1) was very much better to-day than last year. The Panama Corporation owned a controlling interest in the new company whose property was situated in the Northern or Veraguas Concession.

The Hatillos area, where original surface indications pointed to a base metal proposition, appeared to be developing into a gold proposition. Assay values in gold had been as high as 2½ oz per ton, and in one exceptional case 9 oz 6 dwt per ton. The developments now being carried out at Hatillos might in a short time make necessary and desirable the formation of a separate company to equip and develop it.

SENSATIONAL DISCOVERIES IN ATLANTIC DIVISION.

On the east coast, or Atlantic division, of the Veraguas Concession, quite recent discoveries had been made which must be considered of a sensational character. The prospecting staff discovered a gold vein in the bed of a creek from which they were actually able to obtain some 30 oz of gold from 3 cubic yards. The reef so far is 44 inches wide, and from the present indications it would appear to be a remarkable discovery.

Another discovery had been made within the province of Panama in the district of Cheto. The quartz in the surface outcrops showed high values in free gold.

With regard to communications, it was gratifying to know that within a few weeks it would be possible to ride by mule track, constructed by the company's engineers, from the Atlantic to the Pacific Ocean over the Great Divide.

A prospecting campaign by drilling on an extensive scale had been commenced on the Balsa River; the first results had exceeded all expectations; in one stretch of the river bed—three miles in length—over 2,000,000 cubic yards of gravel had been proved, giving values averaging 44 cents or 15 10d per cubic yard. General Rice reported that the River Balsa presented no undue difficulties as a dredging proposition. It had been decided to take advantage of an exceptional opportunity of securing a dredge available, which it was hoped would be operating within the next six months. Drilling operations were proceeding in that area with eight Banka and one Keystone drills under the supervision of Mr Watson, and it was anticipated and hoped that results would warrant scope for several more dredges. The Panama Corporation would maintain a controlling interest in the company it would be necessary to form to deal with the dredging proposition, as would be the case in a number of other similar companies.

Since the last meeting the corporation had acquired a large area known as the Cana Plateau; it was actually within that area that £6,000,000 of gold by repute was extracted. Within the area was an immense deposit known as the Cana Alluvials. Again, within that area was a formation known as San Jose Hill. Past information and their own preliminary prospecting indicated that to be a low-grade proposition from a mining point of view, but the hill contained many million tons of auriferous material, which it was suggested might be treated by hydraulic on a large scale.

NEW AVENUES OF ENDEAVOUR.

The rapid progress which was taking place within the Republic and its rapidly increasing population was opening up many avenues for the creation of public services. That should not be lost sight of, and to those questions he had been giving consideration. There was the only British company carrying out large operations in Panama, and he was in a position to say that the Government of Panama looked upon this corporation and its operations as one of the greatest assets in the Republic. In view of the company's activities, it was possible that suspicion and unrest might be created in entirely friendly countries, but any operations engineered and carried out by this company in Panama would not prejudice or jeopardise the paramount interest held in that country by the United States, for whose close co-operation he looked.

The report and accounts were unanimously adopted.

CITY OF SAN PAULO IMPROVEMENTS AND FREEHOLD LAND COMPANY, LIMITED.

SUCCESSFUL RESULTS OF THE YEAR.

The sixteenth ordinary general meeting of the City of San Paulo Improvements and Freehold Land Company, Limited, was held, on the 1st instant, at River Plate House, London, Mr Herbert Guedalla, F.C.A. (the chairman), presiding.

The Secretary (Mr F. S. Tomkins) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said that at the end of 1927, for certain reasons in connection with the return of capital, the board asked the gentleman who was responsible for the 1925 valuation of the company's lands to give some indication as to whether the values were still maintained, and they had received from him a valuation, supported by their own officials, showing that there had been a further increment in value of more than £1,000,000 over the amount at which the land stood in the balance-sheet to-day, after allowing for necessary development expenditure.

In the light of this subsequent valuation, he thought the valuation reserve account of £1,081,411 could be treated as a very actual reserve, which was being rapidly realised. The net credit to the land sales account was £322,486, showing an increase of £114,177 during the year. This amount represented almost 20 per cent. of the issued capital, and was a surplus they were entitled to divide. A large part of this amount represented the difference in the price received for land sold as against the written down value in the books, and for that reason had not been liable for income-tax. With a view to saving time and trouble, it was the intention of the board towards the end of this year to utilise this account for the next distribution of 15 per share, upon which the shareholders would not have to pay income-tax. Should the increase in sales continue as they were hoping, and in the near future a large distribution be possible, they would again have to revert to the system of reducing capital and returning it to the shareholders.

DEMAND FOR THE COMPANY'S LANDS.

With regard to their main asset, the freehold land, which stood in the balance-sheet at £2,495,854, this land consisted of various properties amounting in total area to about 1,700 acres, all in the confines of the city of San Paulo. On account of liability to flood, they had always placed a very low value on 660 acres of this land, but negotiations were practically completed whereby this flooding would be prevented in the near future, and this land would become available for development in due course. During the year the company had sold about 60 acres, yielding £264,000, or about £4,400 per acre. These sales constituted a very large advance on those of the preceding year, and in the current year the rate of sales had been more than maintained, while the prices were well in excess of the book values. It might interest shareholders to know that for 1928 the average selling prices were about 33 per cent. higher than the balance-sheet valuation.

Approximately half of the sales in value were attributable to their Pacaembu property, and the remainder was spread in fair proportion over their other developed estates. He had already referred to the valuation made at the end of 1927, which would add more than £1,000,000 to the balance-sheet figure, but the important point, in his opinion, was that the company now had about £2,000,000 in value of land so developed that it was ready for sale subject to spending about £80,000 during the next two years, for the most part in what might be termed "recoverable improvements." At the present rate of sales this represented about six years' sales, but it was the earnest aim of the management to do better than this, and he trusted that the natural progress of the City of San Paulo would assist their efforts in that direction.

With regard to the remainder of their land, which comprised the greater proportion of the total area, a large amount of money would be required for appropriate development, which naturally would be deferred until they were advised that an immediate selling campaign could follow the expenditure; in other words, it was not the board's policy to develop ahead of selling capacity.

FUTURE PROSPECTS.

Generally, with regard to the prospects of the company, he thought they were justified in looking to the future with complete confidence. They held property in a city the population of which was continually increasing—it was almost one million to-day—and which was consistently expanding in their direction. Whilst some of their property was eminently suitable for the more expensive kind of dwelling, there were other properties which were valuable for factory sites, with good transport facilities, and for the erection of artisan houses after the garden city fashion, for which there must be a great demand in due course.

The report and accounts were unanimously adopted.

UNION BANK OF AUSTRALIA, LIMITED.
INCREASED PROFIT—STRONG POSITION.

The annual general meeting of the Union Bank of Australia, Limited, was held, on the 30th ultimo, at the head office, 71 Cornhill, London, Mr. Henry P. Sturgis (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said:—The balance-sheet shows a net profit of £736,904 3s 7d, which includes the sum of £97,938 12s 1d brought forward from the previous year. A dividend has been declared at the rate of 15 per cent. per annum, free of United Kingdom income-tax. The total figures of the balance-sheet, compared with those of a year ago, show an increase of £1,518,000, attributable on the liabilities side to the addition of £500,000 to capital, £600,000 to the reserve fund, together with an increase in undivided profits of £39,000 and an increase in deposits of £1,433,000. This latter feature may be regarded with distinct satisfaction. Other movements are decreases in circulation of £20,000 and in bills payable of £1,035,000.

On the assets side the increases are £396,000 in specie, cash balances and bullion, £210,000 in money at call in London, £646,000 in investments, and £1,755,000 in bills receivable, while a decrease of £1,488,000 is shown in advances.

The increase in bills receivable and money in London is largely due to the greater volume of exports from Australasia during the latter part of our financial year, while the decrease in advances is reflected in the increase in specie and investments.

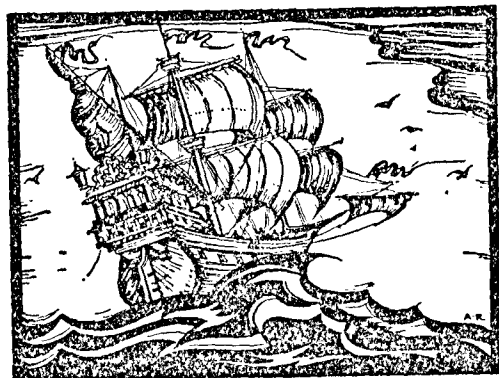
LIQUID ASSETS.

Our liquid assets amount to about 10s 1d in the £ of our total liabilities to the public; or, after deducting the £1,000,000 from investments allotted to the reserve fund, about 9s 7d in the £.

In dealing with the figures of the profit and loss account, you will observe that the gross profit on this occasion amounts to £1,531,696, as compared with £1,506,462 a year ago, an increase of £25,234, while our expenses amount to the sum of £892,730, showing an increase of £13,604.

As regards seasonal conditions and prospects at the present day, the following telegram from our general manager, received last week, will interest you:—

"Outlook throughout agricultural areas in Commonwealth generally satisfactory, and abundant harvest expected if favourable conditions continue. Inland pastoral districts of New South



DÍA DE LA RAZA!

Under this name—the Feast of the Latin Race—is commemorated, on the 12th of October each year throughout South and Central America, the historic voyage of discovery by Columbus in 1492.

Since then, the development of the vast resources of the New World has been phenomenal.

To-day a great and growing volume of overseas trade is transacted annually by the Latin American Republics, and complete facilities for every description of modern banking business are afforded by

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Wales, Queensland, and N.W. of South Australia dry, but elsewhere conditions for the most part are normal. In New Zealand conditions are satisfactory and prospects generally good."

Mr S. R. Livingstone-Learmonth seconded the resolution, which, after some congratulatory remarks from shareholders, was carried unanimously.

THRELFALL'S BREWERY COMPANY LIMITED.

FURTHER PROPERTIES ACQUIRED.

The 41st annual general meeting of Threlfall's Brewery Co., Limited, was held, on the 1st instant, at Cannon Street Hotel, London, Major C. M. Threlfall, J.P. (the chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said:—I am sure you will agree that the trading results for the past year are very satisfactory.

I informed you at the last meeting that an agreement had been entered into for the acquisition of the controlling interest in the West Cheshire Brewery Co., Limited, of Birkenhead. This agreement was completed at the end of December, and I am pleased to report that our products have proved to be very popular in the houses owned by that company. Furthermore, during the year several other important and very valuable properties have been acquired, especially in the Manchester district; also a number of leaseholds have been converted into freeholds.

We still continue to develop and rebuild properties which have proved to be structurally inadequate for the demands now made upon them, and have incurred a considerable outlay in this direction during the past year. Particularly I should like to mention one property which has just been completed, namely, the Anson Hotel, Longsight, Manchester. We are justly proud of this new possession, which has been erected and fitted with all the latest modern improvements, and I am sure it would be most interesting for shareholders who happen to be in the district to pay a visit to this beautiful hotel.

These acquisitions and extensions have, of course, materially affected the cash position as compared with 12 months ago. The figures shown on last year's balance-sheet included part of the money received from the new issue of shares, and a substantial part of this, together with the War Loan held at that time, has been utilised to enable these additions to be made. The cash resources have also been depleted to a considerable extent owing to the additional sum required for beer duty, in consequence of the further reduction in the period allowed for payment. This change was introduced in the Budget of 1927.

You will observe from your balance-sheet that the item "investments" now stands at the figure of £311,490 8s 4d, which includes the company's holding in the West Cheshire Brewery Co., Limited. The gross profit for the year is £465,178 8s 7d, and, after writing off for depreciation of properties, plant, furniture, and fixtures, increasing the fire insurance fund to £49,700, and making a reserve for salary and wage bonus to employees, there remains a net trading profit of £406,984 0s 2d. After deducting interest on debenture stock, interest on deposits, directors' fees, compensation levy, and adding transfer fees, bank interest, and interest on War Loan, there is a net profit of £342,148 15s 11d for the year, which, together with the carry forward from last year, makes a total of £725,535 0s 5d. to be dealt with. After payment of the dividends of 20 per cent. on the old ordinary shares and 18½ per cent. on the new ordinary shares, the amount carried forward is £426,100 9s 1d.

Mr W. B. Feeny (managing director) seconded the motion, which was carried unanimously.

155 Branches
in Finland

CAPITAL AND RESERVES:
Fmk.403,000,000.-
TOTAL ASSETS (30/6/28):
Fmk.2,896,902,000.-

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

HEAD OFFICE: HELSINKI
(HELSINGFORS), FINLAND

Established 1889.

SEMENYIH RUBBER ESTATE, LIMITED.
SOUND FINANCIAL POSITION.

The fourteenth annual general meeting of the Semenyih Rubber Estate, Limited, was held, on the 30th ultimo, at 5 Fenchurch street, London, Mr H. F. Crosthwaite (the chairman) presiding.

The Chairman said: The capital of the company remains the same, £47,264 14s, and the property consists of 1,459 acres of matured rubber and 94 acres planted in 1925, making a total of 1,553 acres, which is equal to £30 an acre. The standard production was fixed at 572,832 lbs, but as we were subject to a restriction of 60 per cent., the output was reduced to 350,636 lbs, which was sold at an average price of 1s 1.7d, and the f.o.b. cost was 8.55d, against 8d the preceding year, and the all-in cost was 10.52d, which, considering the restriction, was not out of the way.

YEAR'S PROFIT.

The net profit for the year was £5,589 15 4d, out of which we have paid a dividend of 7½ per cent. (£3,544 17s 1d), leaving a balance of £2,044 4s 3d, which the directors have decided, owing to the uncertainty as to the future price of rubber, to carry forward. This amount, with £9,218 3s 2d brought in from the preceding year, makes a balance of £11,262 7s 5d.

The financial position is sound. We have £10,000 5 per cent. War Stock, a cash balance of £3,026 16s 9d, and a general reserve account of £7,000. For the current year the standard crop is assessed at 595,951 lbs, and we already hold in excess of our export licence 76,964 lbs, and owing to our tapping to the fullest extent since May 1st we shall produce a further 40,000 lbs of rubber, making a total amount of 717,000 lbs, which we hope to harvest at an all-in cost of 7½d a lb, and of which we have sold forward 224,000 lbs at an average price of 1s a lb.

THE FUTURE.

We have continued during the year to receive very full reports from our Manager, Mr Gough, and from the visiting agent, Mr H. C. Cummins, and we consider that our company is in such a position that we may look forward to the coming year with confidence, and we feel that it is in such a position that it should benefit greatly by any improvement in the rubber position during the next twelve months.

The report was adopted, and at a subsequent extraordinary general meeting resolutions were passed increasing the capital of the company to £100,000 by the creation of 400,000 shares of 2s each, and making certain alterations in the articles of association.

GOVERNMENT RETURNS, &c.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Total Receipts into the Exchequer from April 1, 1928, to July 28, 1928.	Week Ended July 28, 1928.	Week Ended July 30, 1927.
	£	£	£
Balances in Exchequer on 1st April:			
Bank of England ..	5,918,513	6,003,023	..
Bank of Ireland	404,112	456,633	..
	6,322,625	6,459,656	..
ORDINARY REVENUE.			
Inland Revenue—			
Property and Income Tax	32,160,000	43,998,000	2,272,000
Super-Tax	9,360,000	12,120,000	220,000
Estate, &c., Duties ..	25,610,000	21,360,000	3,900,000
Stamps	7,690,000	6,270,000	460,000
Excess Profits Duties, &c.	..	..	..
Corporation Profits Tax	210,000	680,000	..
Land Tax, House Duty and Mineral Rights Duty	140,000	110,000	10,000
Total Inland Revenue ..	75,170,000	84,538,000	6,252,000
Customs and Excise—			
Customs	35,522,000	35,708,000	2,524,000
Excise	41,705,000	43,270,000	765,000
Total Customs & Excise ..	77,227,000	78,978,000	3,289,000
Motor Vehicle Duties (Exchequer Share) ..	387,000	2,017,419	387,000
Post Office (Net Receipts) ..	2,750,000	2,100,000	71,000
Crown Lands	430,000	430,000	200,000
Receipts from Sundry Loans	8,167,863	6,750,791	..
Miscellaneous: Ordinary Receipts	3,343,063	3,105,717	220,000
Miscellaneous: Special Receipts	5,730,219	8,798,978	1,290,000
Total Ordinary Revenue ..	173,225,145	186,718,775	14,492,000
SELF-BALANCING REVENUE.			
Post Office	17,800,000	17,750,000	1,100,000
Motor Vehicle Duties apportioned to Road Fund	5,413,000	3,343,581	..
Total Self-Balancing Revenue	23,213,000	21,093,581	1,100,000

	Total Receipts into the Exchequer from		Receipts	
	Apr. 1, 1927, to July 28, 1928.	Apr. 1, 1927, to July 30, 1928.	Week ended July 28, 1928.	Week ended July 30, 1928.
OTHER RECEIPTS.				
Temporary Advances Repaid—				
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1924.	..	..	..	..
Under the Unemployment Insurance Act, 1921.	714,432	2,828,000	..	210,000
Money Raised by Creation of Debt—				
(a) For Capital Expenditure Issues: Under the Telegraph (Money) Act, 1925.	2,550,000	2,500,000	..	..
(b) Under the Unemployment Insurance Act, 1921.	1,830,000	960,000	110,000	..
(c) For other issues:				
By Treasury Bills.	770,303,000	799,797,000	48,164,000	50,819,000
By 4% Consolidated Loan.	..	41,316,756	..	..
By National Savings Certificates.	13,200,000	11,450,000	650,000	600,000
By National War Bonds.	10	..	..	..
By 5% Treasury Bonds, 1933-35.	58,235,113	..	..	..
(d) Ways and Means Advances.	221,850,000	205,030,000	..	1,250,000
Repayments—				
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921.	43,695	43,536	..	..
Total.	1,771,467,020	1,278,197,544	61,073,299	63,555,321

	Total Issues out of the Exchequer to Meet Payments from		Issues	
	Apr. 1, 1927, to July 28, 1928.	Apr. 1, 1927, to July 30, 1928.	Week ended July 28, 1928.	Week ended July 30, 1928.
ORDINARY EXPENDITURE.				
Interest & Management of National Debt.	125,342,493	126,089,252	1,074,447	1,001,816
Payments to Local Taxation Accounts.	1,449,671	1,889,976	50,001	639,975
Payments to Northern Ireland Exchequer.	1,166,369	1,312,763	266,628	..
Other Consolidated Fund Services.	723,049	1,215,855	..	9,173
Supply Services (excluding Post Office).	103,052,500	109,135,300	5,139,400	7,116,800
Total Ordinary Expenditure.	231,734,082	239,663,145	6,530,476	8,767,764
Sinking Fund.	19,779,391	12,486,305	1,603,000	596,011
SELF-BALANCING EXPENDITURE.				
Post Office.	17,800,000	17,750,000	1,100,000	1,100,000
Road Fund.	5,413,000	3,343,581	..	..
Total Self-balancing Expenditure.	23,213,000	21,093,581	1,100,000	1,100,000
OTHER ISSUES.				
Temporary Advances	..	..	..	..
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1924.	18,458	18,458	..	..
Under the Unemployment Insurance Act, 1921.	1,830,000	960,000	110,000	..
Issues to Meet Capital Expenditure—Under the Telegraph (Money) Act, 1925.	3,350,000	3,200,000	400,000	300,000
Unemployment Insurance Act, 1921.	714,432	2,828,000	..	1,274,000
Repayment of Amounts Borrowed Redemption of Debt—				
Treasury Bills.	702,900,000	791,900,000	41,580,000	47,335,000
Principal of National Savings Certificates.	13,900,000	12,850,000	800,000	650,000
Principal of National War Bonds paid off.	46,786,305	..	..	..
Other Debt under the War Loan Acts, 1914 to 1919.	3,341,000	..	..	..
Ways and Means Advances Repaid	220,950,000	190,751,000	8,800,000	3,850,000
Old Sinking Fund, 1907-08—Issued under Section 9 of the Finance Act, 1908.	1,000	..	..	..
Balances in Exchequer—	1,268,517,668	1,275,750,486	60,923,476	63,872,775
Bank of England.	2,062,863	2,086,609	54,823	58,546
Bank of Ireland.	886,489	360,406	95,000	376,000
Total.	2,949,352	2,447,015	149,823	317,454

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1927.	Dec. 31, 1927.	Mar. 31, 1928.	July 28, 1928.
2½% and 2½% Consols.	573	300	300	300	300	300	300	300
Other Funded Debt.	15	15	14	14	14	14	14	14
Term Annuities.	30	20	14	13	12	12	12	12
4% Consolidated Loan.	..	..	..	..	166	207	204	204
3½% Conversion Loan.	..	..	666	709	760	852	832	832
4% Conversion Loan.	..	..	63	210	211	221	221	221
4% War Stock.	..	..	63	63	63	42	..	..
4% and 5% War Stock.	..	..	15	15	13	13	13	13
National War Bonds.	2,047	2,166	2,052	2,109	2,154	2,253	2,253	2,253
4% War Stock.	1,509	820	778	390	556	430	194	146
4% Funding Loan.	..	..	409	396	339	389	385	385
4% Victory Bonds.	..	..	360	314	303	277	277	260
Treasury Bonds.	..	..	..	457	499	482	518	675
Exchequer Bonds.	20	323	150	15	15	15	15	15
National Savings Certs.	..	267	366	369	375	370	363	362
Other Debt.	1,306	1,128	1,124	1,111	1,103	1,103	1,097	1,094
American Loan (Anglo-French).	..	51	58	57	55	59	57	59
Treasury Bills.	15	1,107	186	167	139	174	162	162
Temporary Advances.	654	8,033	7,641	7,558	7,557	7,732	7,527	7,600
Other Capital Liabilities.	57	46	66	68	75	100	101	103
Total Liabilities.	711	8,079	7,707	7,666	7,633	7,653	7,628	7,703

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.				
Ways and Means Advances	July 30, '27.	Mar. 31, '28.	July 28, '28.	Week ended July 28, '28.
Outstanding—				
Advances by Bank of England	12,171,240	12,171,240	12,171,240	..
Advances by Public Deptms.	130,880,000	161,850,000	162,750,000	8,800,000
Treasury Bills Outstanding	607,070,000	526,940,000	594,345,000	6,575,000
Total Floating Debt.	737,550,000	688,790,000	757,095,000	2,225,000

* Includes £5,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on July 27, 1928, and the total amount applied for was £49,165,000. For bills at 3 months, dated Monday to Friday, at £98 19s 1d, about 72 per cent., above in full; Saturday at £98 19s 4d, and above in full. The amounts allotted were in bills at 3 months, £40,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months.	Average Rate.
May 25, 1928.	40,000,000	59,535,000	£ s d	
June 1.	40,000,000	55,445,000	3 18	9.72
June 8.	35,000,000	53,050,000	3 15	7.61
June 15.	35,000,000	45,955,000	3 15	2.11
June 22.	35,000,000	43,275,000	3 16	4.92
June 29.	40,000,000	73,725,000	3 16	6.96
July 6.	40,000,000	57,650,000	3 14	0.25
July 13.	40,000,000	47,975,000	4 1	3.003
July 20.	40,000,000	57,355,000	4 0	0.52
July 27.	40,000,000	49,165,000	4 2	6.42

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.		Redemption Account.	
	Notes and Certificates Outstanding.	Investments in Reserve Accounts.	Silver Coin.	Gold and Bank of England Notes.
1924.				
Mar. 25.	281,538	11,908	7,000	22,450
June 25.	230,316	12,472	7,000	22,450
Sept. 25.	285,532	12,227	7,000	22,450
Dec. 31.	295,261	12,812	7,000	26,950
1925.				
Mar. 25.	284,256	11,882	7,000	26,950
June 25.	292,278	12,265	7,000	53,950
Sept. 30.	293,004	12,555	7,000	56,250
Dec. 30.	296,777	12,561	7,000	56,250
1926.				
Mar. 31.	295,337	12,226	6,550	56,250
June 30.	294,036	12,567	6,550	56,250
Sept. 29.	287,558	12,295	6,300	56,250
Dec. 29.	296,461	12,457	6,300	56,250
1927.				
Mar. 30.	288,067	11,882	6,550	56,250
June 29.	293,260	12,812	6,550	56,250
Sept. 28.	294,798	12,752	6,550	56,250
Dec. 28.	293,791	12,904	6,550	56,250
1928.				
Mar. 28.	289,508	12,515	5,500	56,250
June 27.	296,030	12,409	5,400	56,250
July 25.	295,124	12,277	5,400	56,250
Aug. 1.	297,647	12,704	5,400	56,250

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,145,400, for 1926 at £247,902,500, for 1927 at £246,011,000, and for 1928, at £244,935,100.

The OCEAN ACCIDENT AND GUARANTEE CORPORATION, Limited.

ASSETS £9,101,717
CLAIMS PAID £41,161,592

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

Head Office: 38-44, MOORGATE, LONDON, E.C.2.

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, August 1, 1928.

ISSUE DEPARTMENT.

Notes issued	190,644,225	Government debt	11,015,100
		Other securities	8,734,900
		Gold coin & bullion	170,894,225
	190,644,225		190,644,225

BANKING DEPARTMENT.

Proprietors' capital	14,553,000	Government securities	29,201,528
Reserve	3,550,030	Other securities	48,423,840
Public deposits	12,171,240	Notes	55,428,035
Other deposits	103,540,288	Gold and silver coin	2,764,804
Seven-day & other bills	3,649		
	133,818,207		133,818,207

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

	Amount, Aug. 1, 1928.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Public deposits	3,550,030	+	31,695
Government securities	12,171,240	+	634,039
Other securities	103,540,288	+	3,297,821
Reserve	29,201,528	+	22,875,471
Notes in circulation	56,192,839	+	5,641
Gold and silver coin	137,216,190	+	1,200,350
% of reserve to liabilities	173,659,029	+	2,361,358
		12%	181%

Date.	Coin and Bullion.	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.	Bank Rate.
1928.						
June 6	164,073,965	135,661,835	119,125,392	88,765,975	1,014,000 in	4.81
13	168,099,528	135,073,700	121,043,201	86,107,790	3,828,000 in	4.75
20	171,691,040	135,026,540	122,555,474	84,040,913	3,429,000 in	4.64
27	172,287,120	136,256,120	123,465,008	91,647,283	405,000 in	4.58
July 4	175,428,234	137,166,490	146,515,771	108,516,072	942,000 in	4.31
11	174,356,917	136,361,115	120,913,180	81,217,209	916,000 in	4.75
18	175,945,393	135,891,950	123,380,907	81,629,447	1,542,000 in	4.82
25	176,020,387	136,015,840	128,375,310	76,637,081	66,000 in	5.08
Aug. 1	173,659,029	137,216,190	115,711,528	77,625,368	2,331,000 out	5.12

BANKERS' CLEARING RETURNS (000's omitted).

	Town.	Metropolitan.	Country.	Total.
1928.				
January 1 to July 18	21,879,848	1,029,961	1,893,909	24,603,718
Week ended July 25	676,527	36,720	54,131	766,378
Week ended Aug. 1	811,905	37,696	54,702	904,303
Total to date 1928.	23,368,280	1,103,377	1,802,745	26,274,402
Do 1927.	21,899,641	1,054,144	1,761,463	24,685,248
Increase or decrease in 1928	+ 1,468,589	+ 49,233	+ 41,282	+ 1,559,104
	+ 6.8%	+ 4.6%	+ 2.3%	+ 6.4%
Total for year 1927	36,819,682	1,758,032	2,372,827	41,550,541
Total for year 1928	35,346,429	1,660,757	2,817,868	39,825,054
Increase or decrease in 1927	+ 1,473,253	+ 97,275	+ 154,959	+ 1,725,487
	+ 4.1%	+ 5.6%	+ 6.5%	+ 4.3%

PROVINCIAL CLEARING RETURNS.

	Month of July.		Aggregate Weekly Totals to July 28.	
	1927.	1928.	1927.	1928.
Number of Working Days	26	26		
BIRMINGHAM	11,282,000	11,059,000	1,103,900	81,223,

SWISS NATIONAL BANK.—In francs (000's omitted).

Assets.	July 23, 1928.	July 14, 1928.	July 7, 1928.	June 30, 1928.	July 23, 1927.	Position, May 31, 1914.
Gold.....	447,858	446,904	447,045	447,120	434,205	18,350
Silver.....	56,244	59,444	59,117	59,387	58,222	103,000
Advances.....	199,480	196,876	197,739	195,019	303,303	
LIABILITIES.						
Notes in circulation.....	797,942	811,095	826,721	850,232	783,136	275,925
Deposits.....	109,002	127,447	107,627	91,623	114,252	33,750

BANK OF SWEDEN.—In kronor (000's omitted).

Assets.	July 28, 1928.	July 21, 1928.	July 14, 1928.	July 7, 1928.	July 30, 1927.	Position, May 31, 1914.
Gold.....	230,127	230,250	230,353	230,453	221,315	13,223
Government securities—Swedish.....	11,012	11,012	11,012	11,012	11,012	13,223
Foreign.....	62,300	62,300	62,300	62,300	60,584	60,584
Other Swedish bonds quoted on foreign bourses.....	804	804	804	804	804	1,114
Bills payable in Sweden.....	220,650	213,003	258,908	285,608	161,830	68,991
abroad.....	30,810	28,893	16,740	16,775	68,991	46,439
Balance abroad.....	41,990	42,866	58,426	56,674	46,439	
Advances made on government securities and bonds.....	48,588	46,765	45,916	55,162	41,410	
LIABILITIES.						
Notes in circulation.....	463,716	459,084	479,066	493,480	498,915	
Government deposits.....	135,484	154,426	155,368	171,312	105,882	
Private deposits.....	12,743	10,638	24,793	22,563	6,062	

† The sum of the items "Bills payable in Sweden" and "Advances made on Government Securities and Bonds" excludes advances and cash credits which are not available as cover for the note issue.

BANK OF SPAIN.—In pesetas (000's omitted).

Assets.	July 28, 1928.	July 21, 1928.	July 14, 1928.	July 7, 1928.	July 30, 1927.	Position, May 31, 1914.
Gold.....	2,608,428	2,608,433	2,607,911	2,607,902	2,597,417	521,775
Silver.....	708,679	706,795	704,937	705,911	681,277	728,000
* Loans and discounts.....	2,006,100	1,998,719	2,046,023	2,075,295	1,971,680	800,725
Spanish 4% stock.....	344,475	344,475	344,475	344,475	344,475	344,475
Advances to Treasury.....	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Circulation.....	4,242,572	4,261,495	4,295,154	4,316,429	4,140,856	901,550
Deposits.....	966,341	970,779	998,531	1,001,717	1,055,567	477,500

* Including 92 million pesetas lent to the State.

BANK OF PORTUGAL.—In escudos (000's omitted).

Assets.	June 27, 1928.	June 20, 1928.	June 13, 1928.	June 6, 1928.	June 29, 1927.	Position, May 31, 1914.
Coin and bullion.....	9,240	9,247	9,269	9,250	8,986	8,986
Of which gold.....	8,577	8,577	8,577	8,577	8,577	8,577
Balance abroad.....	219,353	217,306	213,485	205,617	171,507	
Discounts.....	251,939	249,885	250,770	247,781	208,554	
Government loans.....	1,644,784	1,642,874	1,639,171	1,630,864	1,611,338	
LIABILITIES.						
Notes in circulation.....	1,902,234	1,890,051	1,890,459	1,899,904	1,803,263	
Deposits.....	91,759	78,169	85,058	66,833	100,285	

† In dollar and sterling only.

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K. (000's omitted).

Assets.	July 23, 1928.	July 15, 1928.	July 7, 1928.	June 30, 1928.	July 23, 1927.	Position, May 31, 1914.
Gold and silver holdings.....	1,129,372	1,118,767	1,118,677	1,118,530	1,055,989	
Balance abroad and foreign currency.....	1,857,988	1,808,665	1,894,473	1,890,173	1,702,728	
Discounts and advances.....	327,072	433,858	458,458	515,651	140,701	
State notes debt balance.....	4,293,913	4,761,711	4,767,440	4,774,615	4,670,635	
Other assets.....	958,006	543,488		536,816	878,813	
LIABILITIES.						
Bank notes in circulation.....	6,710,607	6,974,500	7,275,623	7,583,612	6,361,869	
Check account balances.....	1,090,619	1,077,857	784,611	537,564	1,400,952	
Other liabilities.....	342,500	325,856	326,744	323,403	272,553	

NATIONAL BANK OF THE SERBS, &c.—In dinar (000's omitted).

Assets.	July 22, 1928.	July 15, 1928.	July 8, 1928.	June 30, 1928.	July 22, 1927.	Position, May 31, 1914.
Gold.....	90,310	90,296	90,272	90,255	87,812	
Other coin and notes.....	18,183	18,043	18,046	18,000	18,376	
Foreign credits.....	244,776	241,358	250,279	253,726	384,452	
Bills.....	1,334,148	1,365,803	1,364,926	1,320,615	1,059,208	
Govt. advances.....	4,323,285	4,323,074	4,323,070	4,323,078	4,388,836	
LIABILITIES.						
Notes in circulation.....	5,159,752	5,216,905	5,343,497	5,354,449	5,289,524	
State credits.....	294,065	294,054	294,058	294,028	319,817	
Deposits.....	1,055,439	1,050,576	938,621	872,325	1,886,661	

NATIONAL BANK OF HUNGARY.—In Hungarian Pengö (000's omitted).

Assets.	July 22, 1928.	July 15, 1928.	July 8, 1928.	June 30, 1928.	July 22, 1927.	Position, May 31, 1914.
Metal reserve—Gold coin and bullion.....	196,601	196,541	196,539	196,539	195,910	
Drifts and notes.....	56,479	58,449	72,810	83,477	52,361	
Silver coin and bullion.....	317	817	827	825	784	
Inland bills, warrants and securities.....	289,747	292,504	294,668	314,035	260,827	
Advances to the Treasury.....	144,453	104,453	104,453	104,535	114,911	
LIABILITIES.						
Share capital (gold crowns 30,000,000).....	34,756	34,756	34,756	34,756	34,756	
Notes in circulation.....	402,693	420,744	432,747	478,500	389,219	
Current accounts, deposits, &c.....	260,610	250,360	269,759	243,469	257,585	

* Calculated at pre-war parity of exchange.

BANK OF FINLAND.—In F. marks (000's omitted).

Assets.	July 23, 1928.	July 14, 1928.	July 7, 1928.	July 23, 1927.	Position, May 31, 1914.
Gold.....	309,902	310,152	310,353	322,771	35,091
Balance abroad and foreign bills.....	744,269	771,177	767,896	943,222	90,379
Finnish and Foreign Government securities.....	337,806	337,806	337,806	362,012	21,826
Discounts and loans.....	1,135,550	1,177,319	1,215,137	783,593	105,151
LIABILITIES.					
Notes in circulation.....	1,515,125	1,545,661	1,571,653	1,344,074	123,941
Deposits at notice.....	103,680	125,826	137,307	265,716	21,225

RUSSIAN STATE BANK.—Note-Issuing Department.

Assets.	July 31, 1928.	July 15, 1928.	June 30, 1928.	June 15, 1928.	July 31, 1927.	Position, May 31, 1914.
Gold in coin and bullion.....	16,543	16,544	15,545	16,502	17,748	
Platinum.....	3,916	3,950	3,969	3,477	1,727	
Foreign bank notes.....	7,010	7,010	7,010	6,524	7,370	
Drifts in sterling (less 10%).....	270	270	267	257	266	
Bills (less 10% discount).....	76,937	81,952	77,934	76,956	66,803	
Securities covering advances on goods (less 10%).....	274	274	274	274	86	
LIABILITIES.						
Bank notes.....	101,397	109,086	104,606	103,279	92,860	
Balance to which notes may still be issued.....	3,603	914	394	721	1,140	

BANK OF POLAND.—In zloty (000's omitted).

Assets.	July 20, 1928.	July 10, 1928.	June 30, 1928.	June 20, 1928.	July 20, 1927.	Position, May 31, 1914.
Gold.....	602,531	602,452	601,271	570,253	164,564	
Of which held abroad.....	195,095	195,095	220,725	189,778	220,071	
Foreign currencies.....	716,802	724,649	733,434	725,782	10,072	
Bills discounted.....	585,972	581,091	581,495	564,773	389,738	
Loans against securities.....	67,543	64,082	65,302	63,749	41,374	
Reserve fund securities.....	55,177	55,644	55,769	55,946		
Liability of the Treasury.....	25,000	25,000	25,000	25,000	25,000	
LIABILITIES.						
Share capital.....	150,000	150,000	150,000	150,000	100,000	
Reserve funds.....	94,435	94,435	94,435	94,435	4,653	
Notes in circulation.....	1,090,944	1,126,195	1,183,374	1,070,822	694,394	
Current accounts.....	655,440	735,235	595,201	613,647	253,758	
Government Accounts.....	75,000	75,000	75,000	75,000	22,343	

* As from October 13, 1927, 8 1/2 zlotys equal one U.S. dollar.

BANK OF ESTONIA.—In Est. kroon (000's omitted).

Assets.	July 14, 1928.	July 7, 1928.	June 30, 1928.	June 14, 1928.	June 15, 1927.	Position, May 31, 1914.
Gold coin and bullion.....	10,033	10,370	10,370	10,367	10,367	
Not foreign exchange.....	26,615	24,686	27,312	27,480	27,498	
Subsidiary Estonian coin.....	705	730		655	787	
Home bills discounted.....	8,852	8,866	9,151	9,281	9,045	
Loans and advances.....	16,921	16,090	16,763	16,952	16,573	
LIABILITIES.						
Notes in circulation.....	35,680	35,555	36,676	37,696	35,148	
Sight deposits and current accounts.....	24,756	21,551	21,362	20,899	22,583	
Ratio of reserve to current liabilities.....	60.64%	61.38%	64.92%	64.60%	65.58%	

* Includes a sum not exceeding Ekr. 15,000,000, guaranteed by the Government.

BANK OF JAPAN.—In yen (000's omitted).

Assets.	June 30, 1928.	June 23, 1928.	June 16, 1928.	June 9, 1928.	July 2, 1928.	Position, June 30, 1914.
Cash and bullion.....	1,136,555	1,137,259	1,137,761	1,137,539	1,129,365	221,322
Discounts.....	769,658	992,994	988,972	990,379	791,471	41,746
Advances.....	73,254	73,778	73,556	73,500	94,379	70,544
LIABILITIES.						
Notes.....	1,462,655	1,319,881	1,258,702	1,204,031	1,401,944	362,270
Govt. deposits.....	657,686	677,998	685,646	685,994	774,382	87,346
Other deposits.....	244,515	390,285	437,341	444,234	203,332	11,448

THE STANDARD BANK OF SOUTH AFRICA, LIMITED

Bankers to the Imperial Government in South Africa; and to the Governments of Northern Rhodesia, Southern Rhodesia, Nyasaland and Tanganyika.

AUTHORISED CAPITAL	£10,000,000
SUBSCRIBED CAPITAL	£8,916,660
PAID-UP CAPITAL	£2,229,165
RESERVE FUND	£2,893,335
UNCALLED CAPITAL	£6,687,495
	£11,809,995

Board of Directors.

William Reiferson Arbuthnot, Esq.	Solomon B. Joel, Esq., J.P.
Stanley Christopherson, Esq.	Horace Peel, Esq.
Edward Clifton-Brown, Esq.	Rt. Hon. the Earl of Selborne, K.O.
Robert E. Dickinson, Esq.	William Smart, Esq.
James Fairbairn Finlay, Esq., C.S.I.	Rt. Hon. Lord Sydenham, G.C.S.I., F.R.S.
John Paul Gibson, Esq.	

Joint General Managers in South Africa—John Jeffrey, James S. Shiel.
Deputy General Managers in South Africa—G. F. Le Sueur, W. K. Robertson.
Assistant General Manager in South Africa—Francis E. King.
London Manager—Bertram Lowndes.
Secretary—Herbert G. Hoey.

Head Office: 10, CLEMENTS LANE, LOMBARD STREET, and 77, KING WILLIAM STREET, LONDON, E.C.4.
London Wall Branch: 63, LONDON WALL, E.C.2.
West End Branch: 9, NORTHUMBERLAND AVENUE, W.C.2.
New York Agency: 67, WALL STREET.

HAMBURG AGENCY: Bank of British West Africa, Ltd., 49-53, SCHAUENBURGER-STRASSE.
Over 350 Branches, Sub-Branches and Agencies in SOUTH AND EAST AFRICA.

EXECUTORSHIPS AND TRUSTEESHIPS UNDERTAKEN.
INCOME TAX.—Claims for recovery of Income Tax undertaken.

COMMERCIAL SERVICE

The Bank has over 350 Branches in Africa, and Agents and Correspondents throughout the World. The closest touch with Trade and Industrial conditions is maintained with special attention to Commercial and Credit Intelligence. This service is available to Exporters, Importers and others wishing to develop trade between South and East Africa, the United States of America and the Continent of Europe.

THE STANDARD BANK MONTHLY REVIEW is sent post free on application. It gives the latest information on all South and East African matters of Trade and Commercial Interest.

BANK OF LATVIA.—In lats (gold francs) (000's omitted).

	July 25, 1928	July 18, 1928	July 11, 1928	July 4, 1928	June 27, 1928	July 27, 1927
ASSETS.						
Gold bullion and coins	23,728	23,728	23,729	23,726	23,723	23,642
Silver coin	4,480	4,484	4,342	4,302	4,405	3,405
Balance abroad	78,081	77,925	78,215	78,431	78,336	31,085
Treas. notes & sm. change	9,130	11,723	11,599	10,437	11,170	10,054
Short term bills	8,708	82,838	82,223	82,904	82,355	69,396
Loans against securities	42,901	42,220	42,137	42,252	42,125	56,107
Other assets	10,167	10,159	9,654	10,384	9,433	11,722
LIABILITIES.						
Notes in circulation	41,830	41,106	40,988	41,765	41,590	27,712
Capital paid up	15,581	15,581	15,581	15,581	15,581	14,385
Reserve	3,091	3,091	3,091	3,091	3,091	2,612
Special reserve	2,508	2,500	2,500	2,500	2,500	2,500
Deposits	11,427	12,107	12,076	11,943	11,859	12,596
Current accounts	55,095	55,432	53,850	53,498	53,863	39,130
Government accounts	113,367	113,671	116,751	117,444	116,825	93,653
Other liabilities	9,308	9,630	6,946	6,605	6,627	13,343

BULLION.

The following statistics of imports and exports of gold for week ended August 1, 1928, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.		Exported from Great Britain and Northern Ireland.	
From—	£	To—	£
France	4,033	Denmark	275
Anglo-Egyptian Sudan	2,284	Poland	1,280
British West Africa	24,634	Germany	383,400
British South Africa	524,382	Netherlands	2,448
Straits Settlements	4,750	France	8,145
Other Countries	583	Switzerland	2,050
		Austria	60,275
		Java	1,000
		Gibraltar	2,000
		British India	5,350
		Other Countries	690
Total declared value of imports	561,266	Total declared value of exports	466,913

GOLD MOVEMENTS.

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follow:—

1928. ARRIVALS.		1928. WITHDRAWALS.	
	£		£
July 27	nil	July 27	bars sold 763,000
" 28	nil	" 28	bars sold nil
" 30—S. Africa	500,000	" 30	bars sold 607,000
" 31	nil	" 31	bars sold 500,000
Aug. 1	bars bought 23,000	Aug. 1	bars sold 984,000
" 2	nil	" 2	bars sold nil
Total	523,000	Total	2,854,000

* Set aside on account of.
Net withdrawals, £2,331,000.

Messrs Samuel Montagu and Co. write on August 1st as follows:—

GOLD.

There was a net efflux of gold of £2,331,000 during the week review.

SILVER.

The tendency of the market has been good. Persistent China buying, broadening each day, carried prices on the 27th ultimo to 27½d for both deliveries. Next day the pressure relaxed and a fall of ½d ensued owing to sales from China and other quarters. Though prices eased still further, the market maintained a steady tone as America was not much of a seller, and the Indian bazaars were buyers at the lower levels. Continental supplies continue, though on a reduced scale.

On the 28th ultimo, 128 silver bars were shipped from Marseilles to Bombay per the s.s. "Malwa."

The following were the United Kingdom imports and exports of silver registered in the week ended noon on the 26th ultimo:—Imports—France, £32,797; U.S.A., £28,767; total, £61,564. Exports—Egypt, £37,040; Persia, £77,392; India, £351,800; other countries, £150; total, £466,382.

INDIAN CURRENCY RETURNS.
(In Lacs of Rupees.)

	July 7.	July 15.	July 22.
Notes in circulation	17,811	17,893	17,978
Silver coin and bullion in India	10,074	10,156	10,241
Silver coin and bullion out of India			
Gold coin and bullion in India	2,976	2,976	2,976
Gold coin and bullion out of India			
Securities (Indian Government)	4,277	4,277	4,277
Securities (British Government)	484	484	484

The stock in Shanghai on the 28th ultimo consisted of about 47,500,000 ounces in sycee, 80,600,000 dollars and 7,460 silver bars, as compared with about 45,100,000 ounces in sycee, 78,500,000 dollars and 7,800 silver bars on the 21st ultimo.

Statistics for the month of July last are appended:—

—Bar Silver, per Oz Std.—		Bar Gold, per Ounce.	
Cash	Two Months' Delivery.	Cash	Two Months' Delivery.
Highest price	27½	84 11½	84 11½
Lowest	27½	84 10	84 10
Average	27-262	84 10-6	84 10-6

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce.	Date.	Silver.
	Cash.	Forward.		Cash.
1928.	s d	d		d
July 27	84 11½	27½	Aug. 11, 1922	34½
28	84 11½	27½	10, 1923	31
30	84 11½	27½	8, 1924	34½
31	84 11½	27½	7, 1925	31½
Aug. 1	84 11½	27½	6, 1926	29½
2	84 11½	27½	5, 1927	25½

NOTICES.

WESTMINSTER BANK, LIMITED.—We are informed that arms have been granted to Westminster Bank, Limited, as follows: Azure semee of roses argent, barbed and seeded proper, a fesse wavy, also argent, in the quarter a portcullis or. The portcullis and the national rose are both derived from the arms of the City of Westminster, and the heraldic wave has reference to the County of London—a play, doubtless, on the old name of the bank, London County and Westminster.

The National Bank of Australasia, Limited, have opened a branch of this institution at Orange, New South Wales, and receiving offices at East Moree, New South Wales, in connection with Moree branch, N.S.W.; Wandin, Victoria, in connection with Lilydale branch, Victoria; Kensington, Victoria, in connection with Newmarket branch, Victoria.

The Midland Bank announces the opening of new offices at 10 and 12 St Anne's road, Blackpool, and in Gogle road, Moor Ends, near Doncaster.

Lloyds Bank, Limited, announce that the sub-office of the bank at Whitechurch, Cardiff, is now converted into a full branch, under the management of Mr R. T. Richards (manager of the Cardiff branch); also a sub-branch of the bank is now open at 203 Central drive, Blackpool, under the supervision of Mr W. H. Rains, manager of the Blackpool branch.

The agency of the Bank of Australasia at Maitland Heath, New South Wales, has been converted into a full branch.

COMPANY NEWS.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash.	Interim Date of Payment.	Method of Payment.	Dividend for Whole Year.	Lat'st Year.	Previous Year.
Railways.						
Great Northern (Ireland)	1%*	Sept. 1	Less tax	..	..	..
Great Western, Ord.	14%*	Aug. 16	Less tax	..	..	..
London and North-Eastern, 4%	2%*	Aug. 14	Less tax	..	..	..
First Pref.	2½%*	Aug. 14	Less tax	..	..	..
Do 5% Red. Pref.	2½%*	Aug. 14	Less tax	..	..	..
Banks.						
Commercial Banking of Sydney	10½	..	..	10	10	..
Eastern International Rubber	5%*	..	Tax free	5	8	..
Peacock & Nilambo Tea & Rubber	5%*	..	Less tax	..	..	..
Pelmadulla Rubber	5%*	Aug. 16	Less tax	..	..	..
Insurance.						
Employers' Liability	1/6 p.s.*	Sept. 26	Tax free	..	..	..
Pearl Assurance	25%*	Aug. 23	Tax free	..	..	..
Mining.						
Ashanti Gold	25%*	Aug. 31	..	..	..	..
Kramat Pulai	2%*	Sept. 7	..	..	..	..
Malayan Tin	10%*	Sept. 6	..	..	..	..
Southern Malayan	2%*	Sept. 6	..	..	..	..
Southern Perak	5%*	Sept. 7	..	..	..	..
Tin Selection Trust	7½%*	..	Less tax	..	..	..
Other Companies.						
Alton Battery	3%*	Aug. 1	Less tax	28	28	..
Arthur Guinness, Son, and Co.	12%*	..	(Arbours of 4%) Tax free	23	nil	..
Benmore Distilleries	5%*	..	..	..	..	..
Bovril (def.)	5%*	..	..	..	..	..
Bristol & S. Wales Rail. Wagon	5%*	Aug. 16	..	..	..	..
Bristol Trams and Carriage	3%*	Aug. 8	Less tax	13	12½	..
Brewery & Commer. Invest. (def.)	18½	..	Less tax	..	..	..
City of Buenos Ayres Trams	11%*	..	(Quarter)	..	..	..
Coarse and Co.	7%*	Aug. 23	..	10	10	..
D. and J. Fowler	..	..	..	14	14	..
Dublin (South) City Markets	..	..	..	..	..	..
Electrical Distribution of Yorks	4½%*	..	..	..	..	..
Enfield Cable	15%*	Aug. 11	..	..	..	..
English Velvet and Cord Dyers	2%*	..	Less tax	..	..	..
Fleming Reid	1/1 p.s.*	Sept. 1	..	..	..	..
Fortnum and Wason	5%*	Sept. 1	Less tax	..	..	..
Gaskell and Chambers	6%*	Aug. 1	Less tax	..	..	..
H. and E. Randall	15%*	July 28	Less tax	..	..	..
Holborn and Frascati	4%*	Sept. 1	Less tax	..	..	..
I. J. and G. Cooper	10 p.s.*	Sept. 23	..	2/1 p.s.	2/1 p.s.	..
Illinois Gas and Equipment	10 p.s.*	Aug. 10	Less tax	20 p.s.	20 p.s.	..
Improved Wood Pavement	1/1 p.s.*	..	..	..	..	..
Jeremiah Rotherham	4%*	..	..	..	..	..
Jones' Sewing Machine	6%*	..	Tax free	10	9	..
Maidstone Gas	4½%*	..	..	8½	..	..
Maple and Co.	2½%*	Sept. 1	..	..	..	..
Merchants' Trust	4%*	Sept. 1	Less tax	..	..	..
Metropolitan Electric Supply	3%*	Aug. 14	..	..	..	..
North American Co.	2½%*	Oct. 1	Quarterly	..	..	..
Northampton Electric	4%*	Aug. 22	..	..	..	..
North Central Wagon	9%*	..	..	15	15	..
North of Ireland Paper Mill	1/3 p.s.*	..	Tax free	32	5	..
North Shipping Co.	2½%*	Sept. 1	Tax free	..	..	..
Perry and Co.	5%*	Aug. 15	Less tax	..	..	..
Plimmer, Roddis	5%*	Aug. 20	Less tax	..	..	..
R.M.C. Textiles (1928)	5%*	Aug. 20	Less tax	..	..	..
Rushden and Distict Electric	3½%*	Aug. 22	..	..	..	..
S. Frost	2½%*	..	..	14	14	..
Spencer, Turner and Boldero	3½%*	Aug. 24	Less tax	..	..	..
Spratts Patent (America)	5%*	Aug. 18	Less tax	..	..	..
S. Stafford Water Works	3%*	Sept. 1	..	..	..	..
United States Investment Corp.	1/1 p.s.*	..	Less tax	5	5	..
W. and H. M. Goulding	12%*	..	..	19	17	..
Watney, Combe, Reid	5%*	Aug. 1	Less tax	..	..	..
Western Wagon	8 p.s.*	Sept. 1	Less tax	..	..	..
Westminster Electric	8 p.s.*	..	..	10	10	..
William McEwan	3%*	..	..	..	..	..
Yorkshire Electric Power	3%*	..	..	..	..	..

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Pay- ment of Deben- ture Interest.	Amount Avail- able for Distri- bution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.
					Prefee.	Ordinary.					
					Amount.	Amount.	Rate.				
Breweries.											
Arthur Guinness, Son, and Co. . .	June 30	837,368	2,311,601	3,148,969	120,000	2,100,000	28½	200,000	728,969	2,525,531	28½
Mitchells and Butlers	June 30	277,790	625,945	903,735	48,000	403,677	15½	100,000	352,058	558,111	15½
Natney, Combe, Reid, and Co. . .	June 30	280,408	1,212,931	1,493,339	84,247	127,416	4 Pf.O. 19 Df.	400,000	276,447	1188180	4 Pf.O. 17 Df.O
Gas.											
Maidstone Gas	June 30	13,346	11,308	24,654	..	11,270	8½	..	13,384	11,217	8½
Rubber, &c.											
Harewood Estates	Dec. 31	2,057	4,877	6,934	..	..	..	3,878	3,056	20,343	15
Suru Estates	Mar. 31	3,965	2,627	6,592	..	3,200	4	..	3,392	20,665	25
Malay United	Mar. 31	714	1,827	2,541	..	..	..	1,200	1,314	7,214	3
Mount Austin (Johore)	Mar. 31	40,284	30,957	71,241	..	30,000	5	..	41,241	95,457	16
Shops and Stores.											
Waring and Gillow	Jan. 31	146,192	135,934	282,126	45,000	50,000	10	38,782	148,344	107,472	10
Textiles.											
York Street Flax Spinning	June 30	4,599	Dr 31,222	Dr 26,623	7,500	..	..	..	Dr 34,123	16,901	..
Trusts.											
Eastern International Rubber and Produce Trust	June 30	7,528	32,010	39,538	..	22,030	6½	..	17,508	41,152	10
Waterworks.											
Chester	June 30*	3,795	5,739	9,534	1,431	2,522	6	..	5,581	4,523	6
Whitby	June 30*	877	1,021	1,898	200	622	6½ 4½	..	1,076	262	6½ 4½
Other Companies.											
D. and J. Fowler	Mar. 31	19,067	28,638	47,705	8,250	20,000	10	..	19,455	29,372	10
Dublin (South) City Market	June 30*	5,667	4,080	9,747	..	3,000	3½	500	6,247	3,793	3½
Financial News	Dec. 31	56,732	77,437	134,169	8,431	10,000	25	..	115,738	36,320	10½
Jones' Sewing Machine	May 31	5,291	19,310	24,601	3,900	9,000	10½	6,500	5,201	19,100	9½
North Central Wagon	June 30	11,155	28,532	39,687	..	18,000	15	15,000	6,687	1,894	6
Plaistowe and Co.	Mar. 31	..	Dr 18,904	Dr 18,904	..	..	..	..	Dr 13,904	..	..
Salter and Salter	June 30	Dr 24,776	Dr 1,417	Dr 26,193	..	..	..	500	Dr 26,693	Dr 3,601	..
W. and H. M. Goulding	June 30	3,698	28,564	32,262	6,875	15,750	5	6,000	3,637	28,086	5

* Half-year. † Tax free.

Reports and Notices.

Messrs Whinney, Smith and Whinney announce that they have admitted into partnership Mr E. F. G. Whinney, eldest surviving son of the late Sir Arthur Whinney, K.B.E.

We are informed that Mr J. J. Atkinson, of the Royal Insurance Company, Limited, has been elected chairman and Mr H. M. Trouncer, F.I.A., of the London Life Association, Limited, has been elected deputy-chairman of the British Insurance Association.

Mr Edward Ralphe Douro Hoare and Mr Arthur James Stewart Todd have been elected directors of the Alliance Assurance Company, Limited.

At the board meeting of the Canada Life Assurance Company, held in Toronto on July 6th, Mr H. C. Cox resigned the position of president, which he had held since 1914. Mr Leighton McCarthy, K.C., who has been vice-president for the last four years, was elected to the vacant position. Mr Cox becomes chairman of the Toronto board and also chairman of the British board.

Mr T. G. McConkey, the general manager, was also appointed a director of the company at the head office.

Dr E. F. Armstrong, having resigned his position as director of British Dyestuffs Corporation, Limited, has accepted a retainer as consultant to Imperial Chemical Industries, Limited.

Mr F. H. Hamilton and Mr E. Turk have joined the board of the Golden Horseshoe Estates Co., Limited.

BANKS.

CHEMICAL NATIONAL BANK OF NEW YORK.—The statement of condition of the Chemical National Bank of New York at the close of business on June 30th shows assets totalling \$222,124,616. Deposits amounted to \$156,914,799 and surplus and undivided profits \$20,014,499.

EQUITABLE TRUST COMPANY OF NEW YORK.—The statement of the Equitable Trust Company of New York at June 30th, including foreign offices, shows assets totalling \$600,744,786, comprising cash on hand and in banks, \$40,193,402; exchanges for Clearing House, \$85,941,337; due from foreign banks, \$12,431,363; bonds and mortgages, \$7,521,394; public securities, \$33,600,362; other stocks and bonds

CRITALL MANUFACTURING COMPANY.—We understand that an issue of £750,000 6 per cent. five-year registered notes of the Critall Manufacturing Company, Limited, has been purchased by the Anglo-Scottish Amalgamated Corporation, Limited, at the price of 96½, and that the whole issue has been privately placed. These notes, which were created by a resolution of the board passed on July 23rd, are not secured by a specific charge upon any assets of the company, but will be entitled to the benefit of a trust deed, which stipulates that, except for the £500,000 6 per cent. debenture stock already created, no debentures or debenture stock—other than debentures or charges to the company's bankers to secure overdrafts—shall be created ranking in priority to or *pari passu* with the notes of the present issue. The proceeds of the notes, which are repayable on August 31, 1933, at 102 per cent., will be utilised in improvements to existing factories and the instalment therein of additional plant and machinery to enable the company to keep pace with the growing demand for its products.

ELECTRICAL DISTRIBUTION OF YORKSHIRE, LIMITED.—The report for the half-year ended June 30, 1928, states that an interim dividend has been declared by the directors at the rate of 9 per cent. per annum for the half-year ended June 30, 1928. The number of consumers continues to increase, and it is anticipated that the reductions in price made during the half-year will further stimulate the demand for the company's supply. The mains of the company have been extended to supply townships and villages in rural districts, and local councils are taking advantage of these extensions to make agreements for street lighting. The Airedale special order authorising the company to supply electricity in a number of parishes in the rural district of Skipton, and the Ardsley, Methley and District (Extension) Order authorising supply in the township of Austhorpe in the rural district of Tadcaster has been confirmed by Parliament. The company are now authorised to supply over an area of 1,168 square miles, with a population of 747,000. As announced at the shareholders' meeting in March last, it is proposed to issue further capital. Meetings of the shareholders will be called in the autumn to authorise the increase of the nominal capital of the company so that the issue can be made early next year.

LONDON MIDLAND AND SCOTTISH STOCK CONVERSION TRUST.—The trustees intimate that out of the dividend to be received for the June half-year on the holding of London Midland and Scottish Railway ordinary stock and the amount brought forward it is proposed to pay a dividend of 1½ per cent. (less tax) on the 4 per cent. preference stock. The holders of this stock will also be entitled to a future payment of 7½ per cent. out of the small balance carried forward and out of the first funds applicable and available for payment of a dividend on the 5 per cent. preferred stock.

ROMNEY TRUST, LIMITED.—The directors of Romney Trust, Limited, have decided to issue the remaining £250,000 authorised capital, and have arranged for the ordinary stockholders of the company on the register on July 27th to be given the right to offer to purchase £100,000 ordinary stock at £130 per cent. on the basis of £2 new ordinary stock for each complete £3 of ordinary stock then held, fractions being ignored. The right of renunciation is given, and letters of right were despatched on Friday, the 27th instant. £150,000 5 per cent. cumulative preference stock has been placed privately. Both preference and ordinary stocks will rank for further dividends with the existing stocks.

SHAWINIGAN WATER AND POWER COMPANY.—We are informed that the Shawinigan Water and Power Company has acquired majority control of Laurentide Power Co., Limited, on the basis of \$150 cash and one share of Shawinigan Water and Power Company stock for each share of Laurentide Power Co., Limited, stock.

WARING AND GILLOW.—The following table shows the results of trading over the past few years:—

	Years Ended—		
	Jan. 31, 1926.	Jan. 31, 1927.	Jan. 31, 1928.
Profit	190,850	192,099	219,802
Debiture Interest ..	33,566	59,627	58,868
To leases reserve ..	1,055	13,023	13,782
Brought in	114,250	146,743	146,191
Preference dividend ..	45,000	45,000	45,000
Ordinary dividend ..	50,000	50,000	50,000
Rate	(10%)	(10%)	(10%)
To reserve			25,000†
Carried forward....	146,743	146,191	148,343

† Capital reserve also increased by £24,800 as a result of sale of portion of leasehold property.

The balance-sheet is fully summarised in another column. There is nothing in balance-sheet for goodwill. The meeting will be held at 104-182 Oxford Street, W.1, on August 3rd at noon.

YORKSHIRE ELECTRIC POWER.—The report for the half-year ended June 30, 1928, states that interim dividends at the rate of 6 per cent. per annum for the half-year ended June 30, 1928, have been declared by the directors on the preference and ordinary capital of the company issued prior to 1928. In February last an issue of \$97,000 ordinary shares was made to the shareholders at 24s per share; this was applied for more than two and-a-half times over. For the period ended June 30, 1928, dividend on these shares will be included with the dividend payable in February, 1929. The company's output continues to grow despite trade depression and the special difficulties of the coal industry. Economies are being effected by the increasing use of the Ferrybridge Station; the lower price of coal has enabled further reductions to be made in the charges for electricity. Under the powers of the Yorkshire Electric Power Act, 1927, applications have been made to the Electricity Commissioners for authority to supply

SECURITY FIRST ROYAL INSURANCE COMPANY, LIMITED

HEAD OFFICES: LIVERPOOL AND LONDON.

electricity in parts of the counties of Derby, Lincoln, Nottingham, and York (East Riding), which adjoin the company's area of supply. The directors have decided that the growth of the company makes the appointment of a deputy-chairman desirable, and they have elected Mr George Herbert Peake to that position.

WHITEHALL ELECTRIC INVESTMENTS, LIMITED.—For the three months to June, 1928, the following are the approximate net operating returns of the companies in which Whitehall Electric Investments, Limited, is interested:—

	April.	May.	June.
Operating in Chili—			
Cia. Chilena de Electricidad, Limitada	69,000	72,000	76,000
Cia. de Electricidad de Valparaiso.....	11,000	11,000	13,000
Cia. Hidro-Elctrica (rental)	6,000	6,000	6,000
Operating in Mexico—			
Cia. Elctrica de Tampico, S.A.....	7,000	7,000	8,000
Puebla Tramway Light and Power Co..	11,500	11,000	11,500
Vera Cruz Electric Light Power and Traction, Limited	2,200	2,000	2,000
Cia. de Luz Elctrica y Fuerza Motriz de Orizaba, S.A.....	1,600	1,500	1,600
Cia. Elctrica de Cordoba, S.A.....	500	350	350

(Chilian exchange calculated at \$40.00 = £1. Mexican exchange calculated at \$1 = 24.5d.)

MINING OUTPUT STATISTICS FOR JUNE, 1928.

	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Cyanide Works.	Mill.	Cyanide Works.		
Gold.						
Oroville Deedling (17 days to July 27)						\$21,276
Tin.						
Assam Kumtong	642		piculs; net value, \$40,945.			
Kampong Kamunting	1,635		piculs; net value, \$106,435.			
Chabawlek	459		piculs; net value, \$34,450.			
Ulu Yam	485		piculs; net value, \$30,844.			
Coal.						
Blackhill	21,966	(July).				
Coalbrook	32,314	(July).				
Tweefontein	69,707	(July).				
Diamonds.						
Crown			6,228 carats. (July).			

RHODESIAN GOLD OUTPUT.

Month.	1925.	1926.	1927.	1928.
January	265,668	207,021	206,094	217,027
February	218,990	194,556	195,996	196,649
March	207,097	197,908	213,708	204,000
April	205,006	219,984	204,876	206,234
May	213,095	209,331	207,818	200,131
June	204,613	221,560	223,418	218,745
July	213,061	213,500	207,448	
August	212,153	209,982	199,860	
September	205,418	204,187	193,646	
October	209,991	211,680	197,500	
November	214,336	215,982	200,461	
December	209,079	202,835	208,016	
Total Gold	2,539,542	2,508,527	2,458,862	

*NOTE.—The value of the gold output to December, 1925, fluctuated in accordance with the amount of premium declared to the Mines Department of Southern Rhodesia.

OIL OUTPUTS.

BRITISH CONTROLLED OILFIELDS, LIMITED.—Output for the week ending July 25th:—Buchivacoa: Production, 32,145 barrels; shipments, 34,613 barrels. Trinidad: Production, 7,260 barrels.

CREOLE.—Creole's share of production for week ending July 7th was 94,203 barrels, and for week ending July 14th 128,051 barrels.

MEXICAN EAGLE OIL.—The production for the week ending July 21st was 112,000 barrels.

VENEZUELAN CONSOLIDATED OILFIELDS, LIMITED.—Production for week ended July 28th, 5,355 barrels (765 tons); previous week, 4,844 barrels (692 tons).

WEEKLY TRAFFIC RETURNS. RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended July 27, 1928.	Miles Open.	Week ended July 23, 1928.					Aggregate 30 Weeks, 1928.				
		(000's omitted.)					(000's omitted.)				
		Passen- gers, &c.	Merchan- dise, &c.	Coal and Coke.	Total Goods.	Total for Week.	Passen- gers, &c.	Merchan- dise, &c.	Coal and Coke.	Total Goods.	Total Receipts.
(c) Week ended July 28, 1928.											
Great Western ..	3,779	342	225	108	333	675	7,159	6,560	3,417	9,977	17,137
Do for 1927 ..	3,779	471	233	124	357	828	7,462	6,932	3,884	10,816	18,278
Lon.&N.-Eastrn.(c)	6,408	513	406	220	626	1,139	10,853	12,576	7,260	19,836	30,688
Do for 1927 ..	6,406	635	403	256	691	1,386	11,475	13,441	7,740	21,181	32,656
Lon., Mid. & Scot.	6,950	444	83	28	111	555	9,490	2,382	820	3,202	12,692
Do for 1927 ..	6,951	588	94	43	137	725	9,721	2,614	1,011	3,625	13,346
Southern	2,177	793	526	210	736	1,529	16,569	17,237	7,597	24,834	41,403
Do for 1927 ..	2,177	1,120	579	276	835	1,975	17,260	18,531	8,632	27,213	44,473
Metropolitan (c)	59	312	..	..	39	350	9,570	..	..	1129	1,069
Do for 1927 ..	58	330	..	..	38	368	9,153	..	..	1154	1,028
Und'rg'd & E. (c)	..	..	..	..	..	292-1	..	..	..	8,694	..
Ido for 1927 ..	..	..	..	..	..	269-3	..	..	..	7,890	..
Lon. & Sub. Gr'up c	..	..	..	..	..	44-1	..	..	..	1,257	..
Do for 1927 ..	..	..	..	..	..	39-8	..	..	..	1,153	..
E.I.'st & Co. D'wn b	80	4-7	..	..	0-8	5-5	80-6	..	26-3	106-6	..
Great Northern b	562	17-2	..	15-1	32-3	386-1	..	..	487-1	873-3	..
Great Southern b	2,187	43-6	..	46-0	89-6	909-0	..	..	1,408-5	2,317-7	..

easier. No. 2 Northern Manitoba ex-ship 50s, No. 3 ditto 46s, Vancouver 46s 3d, No. 4 ditto 44s 6d, Atlantic 44s, No. 5 ditto 41s 6d, Vancouver 43s, No. 6 ditto 40s, Rosafé 63 lbs ex-ship to arrive 47s 6d, Baril 62½ lbs 46s 6d, Australian 49s 6d, C.W. Karachi 48s 6d ex-ship per 496 lbs English nominal. Flour dull. London standard grade 38s, town whites 39s, patents 40s to 41s per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 36s to 38s, Minneapolis 36s to 38s 6d, Australian 36s to 37s ex-store. Maize firmer. Plate landed 47s, ditto ex-ship arrived 45s 6d, ex-ship to arrive 40s 9d to 44s 6d as to position, June-July 39s 6d, July-August 38s 6d, August-September 38s 3d ex-ship per 480 lbs. Barley steady. Californian ex-store 42s 6d to 60s, Oregon 59s, Chilean Chevalier 58s to 65s, Australian 56s, Smyrna 44s to 50s per 448 lbs, Algerian landed 38s, Egyptian 37s 9d, Persian 37s, Marmora 37s to 38s, Hama 37s 6d ex-store, No. 3 Canadian Western ex-ship 37s per 400 lbs. English malting nominal, feed 10s to 10s 10d per 112 lbs. Oats inactive. La Plata landed 28s 9d, ditto ex-ship 28s, black Plate landed 27s 6d, No. 2 Canadian Western ex-ship 29s 9d, landed 31s 6d, No. 3 ditto ex-ship 29s, landed 30s 6d, No. 2 Canadian feed ex-ship 28s 6d, landed 30s, Chilean tawny landed 29s 9d, ex-ship 28s 9d, ditto white 36s landed, German 33s landed per 320 lbs. English black and grey 11s 8d to 12s 8d, white 12s to 12s 8d per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1927-28, 1926-27, 1925-26, 1924-25:-

	1927-1928.	1926-1927.	1925-1926	1924-1925.
Estimated sales of home-grown wheat—				
1 week to July 28	Cwts. 86,987	Cwts. 44,232	Cwts. 9,368	Cwts. 153,960
48 weeks to July 28	10,897,782	11,664,825	12,841,589	11,157,571
Average price of English wheat per cwt.	s d 10 11	s d 12 7	s d 14 5	s d 11 11

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1924 to 1927:-

Weeks Ended	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1928.	Cwts.	Cwts.	Cwts.	s d	s d	s d
July 21	82,311	4,703	3,630	11 0	10 5	12 1
July 28	86,987	3,654	5,113	10 11	10 5	11 9
July 26, 1924.	20,030	2,645	5,665	12 3	11 10	10 0
July 25, 1925.	133,824	12,904	14,606	11 9	10 4	10 4
July 31, 1926.	9,368	4,982	7,882	14 5	8 8	10 5
July 30, 1927.	44,232	3,889	14,631	12 7	11 8	10 3

AMERICAN WHEAT MARKETS.

Favourable weather conditions have continued throughout the week, and crops are making satisfactory progress. Offerings have been on a liberal scale, but have so far met with a poor demand and an absence of export inquiries. Quotations:-

NEAREST FUTURE.	Jan. 6, 1927.	Aug. 4, 1927.	Jan. 4, 1928.	July 25, 1928.	Aug. 1, 1928.
	1927.	1927.	1928.	1928.	1928.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	133½	145½	137	119½	119½
Chicago (No. 2 Winter)—Cents per 60 lbs	137½	138½	130½	119½	119½

Visible supplies of wheat in Canada at 42,776,000 bushels show a decrease of 3,444,000 bushels as compared with the previous figures. Supplies a year ago stood at 30,372,000 bushels.

COAL.

Our Cardiff correspondent writes:-There has been a complete absence of the usual pressure of shipment preceding holidays, and it is feared that the prevailing depressed conditions will be accentuated during August. There are one or two large contracts in the market, and it is reported that during the past few days the Compagnie Generale Transatlantique has placed orders up to 60,000 tons for delivery over next year on the basis of the scheduled minimum prices. The shrinkage in the volume of tonnage is having its inevitable effect on freight rates, which are, on the average, at slightly higher levels than they have been for some months past. Pits have continued to work irregularly, and another important group in the western district of the coalfield ceased working last Monday. No information has yet been conveyed to the collieries as to the method by which the railway companies propose to carry out the arrangements of the Government to reduce transport rates as from the beginning of next December. It is reported that further progress has been made in negotiations for an extension of the interests of the Amalgamated Anthracite Collieries, Limited, and an announcement is expected at an early date of the purchase of two or more group of collieries, the effect of which will be to increase the proportion controlled by the combine to 85 per cent of the total output of 5½ million tons per annum. The following are the current approximate quotations:-Best Admiralties, 19s 3d to 19s 6d; seconds, 19s to 19s 3d; best drys, 18s to 18s 6d; Black Veins, 17s 6d to 17s 9d; Western Valleys, 17s; Eastern Valleys, 16s 7½d to 17s; best small steams, 12s 6d to 12s 9d; cargo smalls, 11s to 11s 6d; coking smalls, 12s 6d to 12s 9d; anthracite, best large, 32s 6d to 35s 6d; Red Vein, large, 20s 6d to 25s; machine-made cobbles, 40s to 43s 6d; French nuts, 40s to 43s 6d; stove nuts, 37s 6d to

39s 6d; ruddy culm, 12s to 12s 6d; foundry coke, 27s 6d to 36s; patent fuel, 20s 6d to 22s; pitwood, ex ship, 27s 6d to 27s 9d

Our Glasgow correspondent writes:-Work in the Lothians was resumed only this week, and conditions are now getting back normal. There is not much business passing in the market, and prices have not been really tested. Nuts, however, are in a fir position, and likely to continue so. Shipment prices are nominal but may be estimated at the following (f.o.b. district ports):-Lanarkshire: Ell best, 14s 3d to 14s 6d; splint best, 17s; splint second, 16s; navigation, 16s 6d; navigation second, 15s; stean 13s 9d; Hartley, 16s 6d; trebles, 13s; doubles, 12s 6d to 12s 9d; singles, 12s; pearls, 11s; dross, 9s 6d to 10s. Fife-Screene navigation, 18s; first-class stean, 12s 6d; third-class stean, 10s 9d to 11s; trebles, 12s 9d to 13s; doubles, 12s 6d to 12s 9d; single 12s; pearls, 11s. Lothians-Prime stean, 12s; secondary stean 11s 6d; trebles, 13s; doubles, 12s 6d; singles, 12s; pearls, 11s. Ayrshire-Unscreened navigation, 16s 6d; jewel, 13s 6d; stean 13s 6d; trebles, 13s; doubles, 12s 9d; singles, 12s; pearls, 11s 3 to 11s 6d; dross, 10s.

Our Sheffield correspondent writes:-The position of the iron industry is no better. There is a fair overseas demand for coke but in the home market business is extremely flat.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:-Typically midsummer conditions rule in the iron and steel trades. The recent spurt of activity in buying by the Far Eastern markets has faded away, but the Continental works have sufficient orders in hand to enable them to maintain their prices. In the pig-iron department demand remains unsatisfactory, and in some cases consuming works have suspended deliveries against contracts owing to the holidays. There has been a fair inquiry for semi-finished steel materials; but only a comparatively small proportion of this has developed into business. British consumers still regard the Continental situation as being somewhat doubtful, and are reluctant to place orders for more than their immediate necessities. The best feature in this department has been the demand for sheet bars, in which some of the British producers have participated. In the finished steel department the demand has become quiet again. There has been a certain amount of export inquiry, but the actual buying has been less than experienced during the past fortnight. Prices, generally, however, have been maintained, and in some cases have shown a tendency to advance.

Our Middlesbrough correspondent writes:-Pig-iron: Business continues quiet and on a limited scale. The requirements of makers' own plant largely absorb the restricted output, and stocks of Cleveland iron are fairly low. Producers, therefore, are able to maintain their quotation of 66s per ton for No. 3 G.M.B. Hematite, on the other hand, is in more than ample supply, and mixed numbers, although quoted 68s to 69s, could be bought at less for a good order. Manufactured iron and steel: There is not new feature in this branch, and new sales are difficult to arrange. The only department which is kept busy is that for structural steel, where makers have sufficient work for some time to come. Quotations are unchanged as follows: Steel ship plates £8 7s 6d, steel ship angles £7 17s 6d, iron bars £10 5s, steel rails £8 10s. Iron ore: There is very little business passing. Best Rubio is firm at 22s 6d per ton. Coke is in only moderate demand, and average qualities are 17s 6d to 17s 9d, delivered works here.

Our Sheffield correspondent writes:-On account of next week's holiday business has tapered off all round, and conditions are extremely flat. The stoppage will be longer than usual, and unless new work comes in during the next five or six days many firms will have to curtail output at the resumption. The railway rolling stock and material departments continue to be abnormally quiet, and there is very little work for the tyre plants. The drastic curtailment of expenditure by the British railways is severely hitting this important branch of local trade. Work from overseas railways remains at former levels, but Belgium continues to get the main share of the orders for India and South

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J. MILLHOFF & CO. LTD., 26, PICCADILLY, W.1

MANCHESTER, Aug. 1, 1928.

Demand remains unsatisfactory, and developments at the moment are against increased activity, as operators continue to be impressed by the improved reports relating to future supplies of raw cotton with the further tendency towards lower prices. Business in piece goods has been confined to odd lots. India has provided rather more inquiry, chiefly in the lighter styles and fancies, but comparatively little has been done. Less favourable advices have been received from China, and fresh business remains small. Only occasional sales have been reported for the minor outlets. Reports from weaving districts tend to become worse. An irregular feeling has prevailed in the yarn market. Users of American and Egyptian qualities continue to purchase from hand to mouth, and it is difficult to prevent loss of ground. Much satisfaction has been expressed at the settlement of the Ramsey Mill dispute, which means that the general lock-out has been averted.

Comparative Statement of the Cotton Trade.

	1928.				Corresp'd'g. Date.	
	July 11.	July 18.	July 25.	Aug. 1.	1926.	1927.
Raw Cotton—Mid. American	12-28	11-8	11-54	11-12	10-30	9-26
— Sakellaridis Fully Good Fair	20-65	19-55	19-45	18-95	17-10	17-00
— Egyptian	17½	17	16½	16½	16	15½
Yarns—32's twist	17½	17	16½	16½	16	15½
— 40's twist	17½	17	16½	16½	16	15½
— 60's twist (Egyptian)	30½	29½	29	29	28½	28
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	0 26	0 26	0 26	0 26	0 26	0 26
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	0 29	0 29	0 29	0 29	0 29	0 29
38-in. ditto, 38 yds, 18 by 16, 10 lbs	15 10½	15 10½	15 10½	15 10½	15 10½	15 10½
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	14 9 1¼	14 9 1¼	14 9 1¼	14 9 1¼	14 9 1¼	14 9 1¼

THE WOOL TRADE.

Our Bradford correspondent writes:-Business is generally rather dull at this time, but this year it seems to be quieter than usual. There is an absence of initiative in all sections of the industry so far as new business is concerned, so that, although the statistical position of raw wool suggests little prospect of any material decline in values in the near future, yarn and cloth prices show a sagging tendency. Tops are about steady, but there is not enough bulk business passing really to test the market, and in most cases a keen buyer would have little difficulty in obtaining concessions, notwithstanding the fact that current quotations are below replacement cost based on wool prices at the last series of auctions in London. The larger topmakers, however, appear to have confidence in the recovery of trade after the holidays, and so are not pressing business. Spinners are in an unsatisfactory position. They are experiencing the greatest difficulty in keeping machinery running, and as stocks are accumulating in certain standard counts, the effect on the market is decidedly weakening. Prices are constantly being cut to bring in yarns to fit a price to suit manufacturers, who, in turn, are apparently working under the same dominating factor. In fact, price is all-important to-day, and even quality has to be sacrificed in many cases. The present indications are that the trade as a whole will be quiet for the next few weeks, but hopes are entertained of a revival in the autumn.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The publication by Dalgety and Co., Limited, of their annual figures showing exports of wool from Australian and New Zealand has provided the trade with some very useful information. The total given for the year ended June 30, 1928, exceeded all expectations. As a decrease in the current clip of 300,000 bales was originally suggested, it is now all the more surprising to find that actual exports during the season amounted to 3,128,000

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AUTHORISED CAPITAL - £20,000,000
ISSUED & PAID-UP CAPITAL - £15,858,217
RESERVE FUND - £10,250,000
DEPOSITS, etc. (30th June, 1928) £317,950,894

EVERY DESCRIPTION OF BRITISH AND
FOREIGN BANKING BUSINESS TRANSACTED.

THE COTTON TRADE.

LIVERPOOL, Aug. 1, 1928.

Spot sales for the week July 25th to August 1st (inclusive) were 4000 bales, of which 14,300 were American, 1,250 Brazilian, 750 Peruvian, 3,300 Egyptian, 1,050 African, 300 East Indian, 50 sundries. Imports for the same period were 45,371 bales, of which 16,919 were American, 3,252 Brazilian, 7,364 Peruvian, 413 Egyptian, 3,454 African, 9,223 East Indian, and 1,746 sundries. Quotations to-day are:-American middling, 11.12d; Egyptian Sakel, 18.95d; Egyptian uppers, 13.55d; Brazilian fair, 12d; Peru G.F.Mod.R., 12d; Peru smooth, 12.12d West African M. 10.97d; East African M., 14.35d.

bales—2,470,000 bales from Australia and 658,000 bales from New Zealand, the respective increases being 58,000 bales and 3,000 bales, or 61,000 bales in all. Figures of actual production are necessary to prove how far out the aforementioned estimated decrease of 300,000 bales may be, but it is sufficient for the present to know that Australia is turning out such a big weight of wool. The present outlook for prices is somewhat uncertain, crossbreds possibly commanding greater confidence than merinos. The latter are under a cloud for the time being in consequence of the persistent call for manufactured goods at a more reasonable price than it is possible to make them out of merino. The real problem is the disposal of stocks now held which originally cost more money than users are prepared to pay. With these dear wools out of the way even merinos will have a chance to recover.

THE JUTE TRADE.

Prices have been subject to fluctuations, with little change on balance. Sellers are evidently determined to keep up prices, though offers are being more freely made of the new crop fibre. The Calcutta mills have occasionally entered the market, and this has had the usual effect of firming up prices when an easier tendency was apparent. Prospects for the new crop now appear better, while imports of jute into Calcutta are on a satisfactory scale. Dundee spinners have been purchasing only sparingly, picking up an occasional parcel offered at a reasonable price. Good First Marks are offered at £40 and also at £39 15s for August shipment, and Lightnings at £37 15s, while Daisee assortment for September/October has not found buyers at £35 10s. Old crop is now scarcely mentioned for shipment, and the supply of material on the spot has now shrunk to a very small quantity. Holders are not pressing for business and are adhering to high rates. They feel sure that they will obtain good prices, as a long time must elapse before the new crop arrives.

Prices of jute yarns are very firmly held, as spinners are well fore-sold and can afford to wait for a fresh spell of trade. Buyers are only purchasing small lots for delivery as early as can be given. Hessian yarns are well committed to the end of the year, and for common 8-lb cops nothing less than 3s 10d would be taken and 3s 11d for 8-lb spools. Twist is quoted at from 6d to 6½d for three-ply 8-lb. Sacking yarns are a strong market, and the value of 24-lb weft has been raised to 4½d, and even 4¾d paid for the better spins. Chains are busy and are selling at 5½d to 6d per lb for 8 lb. Rove is quiet still, and variously quoted at from £29 10s to £37 for 48 lb, and from £19 10s for 200 lb. Fine yarns are quiet, but very firm. Carpet qualities are receiving little attention at 5½d to 5½d for 14-lb warp. Holidays at this centre last week, when all the works were closed, have interrupted business. A very good inquiry, however, prevails for hessian cloth, and the difficulty is to secure delivery. The River Plate has again purchased fair quantities for delivery to the end of November, 10-oz 40-in hessians being taken. If anything, prices are the turn firmer at 5d for 10½-oz 40-in, 4½d for 10-oz, and 3½d for 8-oz. It is claimed that 4½d has been paid for 10-oz 40-in for delivery within a month. More demand has been made for linoleum hessians, American consumers being interested, and prices have further advanced. The general quotation for 76-in 9½-oz is now 9d. Heavy goods are moderately bought. Prices are firm on account of the higher rates which must be paid for yarns. Calcutta goods have fluctuated in sympathy with the raw material, but they still show little signs of depreciating to any extent.

HIDE, LEATHER, AND ALLIED TRADES.

At home market hides remain firm, and best ox are selling from 10½d to 10¾d per lb, seconds at 9½d to 9¾d. Calfskins are also firmer, and have advanced in many provincial markets by ½d per lb. The tone of the oversea markets is weaker, but it is thought that as supplies are low no serious drop in values may be anticipated. Nevertheless, Argentine frigorifics are down to 11½d, whilst Montevideos are now selling at 11¾d, mostly on American and Russian account. Dry River Plate hides are also quotably lower, and B. & A. Americanos are now selling at 18d, after sales earlier in the week at 18½d. Cape hides share the weakness, and first dry-salted hides are offering at 16½d, seconds at 15¾d. Business is dull all round, as the holidays are already affecting business. Latest cables from Chicago report the packer market as weak, with a fall of one cent all round, the quotation for best packer steers being 2½ cents.

In spite of the approaching holidays, a fair turnover has been done in sole and rough leather. Merchants who have run stocks as low as they dare have been well in evidence of late, and have fixed up contracts for some time ahead at tanners' prices. Reports are current this week that tanners have advanced some of their bends by 1d to 2d per lb, and that business has been done on this basis. Repairers are busier owing to the broken weather, and have again entered the market for medium and light bends at firm prices. A very moderate business has been done in upper leathers this week, and orders have been of the sampling variety, as many shoe manufacturers have decided to close down either for a week or for a fortnight for the holiday. Willow calf in the lighter weights has been called for, whilst black glacé kid has also been moving off well of late. Coloured glacé is very quiet, and holders of stock are anxious to clear parcels. Patent is slow, but prices firm, especially for the cheaper varieties. Curriers are rather busier, as good orders for export have been received for linings and colours. The shoe section is dull, and unemployment is increasing in most centres.

VEGETABLE OILS AND OILSEEDS.

Markets continue depressed and trade slow. Linseed oil is in good supply, and with Continental offers in our market, prices have had an easy tendency. Consumers' wants, however, are small, and although crushers have readily met the market, demand is disappointing. Current value of raw oil is £27 15s per ton naked ex Hull mill spot, and £28 September-December. Cotton oils are in very poor request, and values are again easier: crude Egyptian offering ex Hull at £31 5s, technical refined at £34, and common edible at £36. Soya oil is 10s lower, but other seed oils are nominally unchanged. In the oilseed section there is very little doing. After some business on Continental accounts Plate linseed has again eased to £15 10s spot and afloat and £15 12s 6d August-September. Calcutta to London is nominally £17 17s 6d August-September. Owing to the labour dispute in Argentina the shipments have been smaller and the quantity of passage to Europe has fallen to 159,600 tons, but even this seems more than ample for current needs. Cotton seed is inactive. Parcels of old crop Egyptian (black) have been done at £10 7s 6d spot and £10 8s 9d August loading, but no transactions in new crop are recorded. The nominal value of new black is about £10 15s October and November loading. Soya beans are firm.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Larger clearances of British refined at easier prices Messrs Tate and Lyle reduced quotations 3d, excepting No. 3 white and yellow crystals. Cubes now 29s 1½d to 29s 7½d, as to quality Granulated, No. 2, also London and T.L., 26s 6d; month forward 26s 4½d; yellow crystals, spot, 25s; caster from 28s 7½d to 31s 3d. General trend of market is weak, mainly due to crop prospects in Europe having improved, though soaking rains are wanted in most important localities. Meantime ample quantities of the commodity remain in sight. T.L. granulated, spot, sold, 25s 9d; Dutch J., 25s 9d; German, 25s 4½d; white Mauritius, 24s to 24s 3d. Colwick, Kidderminster, and Cupar, 26s 4½d, ex factory; terms; and home-grown of the Cantley group, 26s, ditto. Shipment parcels largely nominal. Dutch J. August quoted, 13s 9d. November-December, 13s 4½d, f.o.b., Rotterdam. Czecho, November-December, 13s 4½d f.o.b., Hamburg. Polish crystals, August-13s 6d; November-December, 13s, f.o.b., Danzig. White Mauritius, September-October, London, 17s, c.i.f. White Java rather more, doing to Calcutta and October-December, sold, 12s 8½d to 12s 7½d and January-March, 12s 10½d to 12s 9½d, c. and f. terms. Raw trending easier. Foreign 96 per cent. August to the U.K. quoted, 11s 7½d; preferential, 15s 4½d and 88 per cent. continental beet, November-December, sellers, 11s 3d c.i.f. White Terminal, dull and easier. August, sold 13s 8½d; December, 13s 10½d, 13s 9d to 14s; March, 14s 1½d to 14s 3d, cwt. Cuban receipts for last week, 37,060 tons, against 42,690 at same time last year; exports, 69,590, against 75,130; stocks, 1,016,590, against 998,200 tons. Stocks in the three chief ports of the United Kingdom for week ending 28th July totalled 110,468 tons compared with 90,138 last year.

COFFEE.—A quiet market continues, while largely under holiday influence, but prices manifest no material change. Some bold Costa Rica sold 155s 6d. Export requirements are still limited.

COCOA.—Marker quiet on spot. Some fine bold Ceylon, sold, 120s. Accra, F/F, October-December, sold, 52s 6d to 51s 6d; and November-January, 52s to 51s, f.o.b. Terminal dull and lower. September, sold, 57s to 56s; October, 55s 3d to 55s 6d; December, 56s 9d to 56s 3d; March, 56s 6d; and May, 56s 3d.

TEA.—During the week 24,370 packages Indian were catalogued, which came to a generally quieter market, and on balance considerable irregularity was observable. All good liquoring teas, particularly Doars, possessing colour, met a good demand at full recent rates, but low medium and common ruled fractionally easier in most instances. Export demand was comparatively quiet. Ceylon sales of 43,275 packages were accorded active support, and general stability characterised the room, with the exception of some thin liquoring teas, which passed with an irregular and easier tendency. New season's China just arrived meets a good demand with regard to Keemums round about 1s 8d to 1s 9d. Old low siftings are in strong request, and scarce at 5d to 6d lb.

RICE.—Remains quite a dead letter on European account. Indian houses still absorb arriving supplies of Burma, while there is a fair movement in Saigon qualities to France, India and also Cuba. Italian easy, and unglazed, August-September, sold, 16s gd; glazed, quoted, 17s 6d. Spanish oiled, September-October, quoted, 18s per cwt., c.i.f. London.

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£2:13:—	" " " " 60.
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Surplus Divided £1,249,700. Carried Forward £392,000.

August 4, 1928.]

BEANS.—Market very firm. Rangoon, spot, London, sold, 16s per cwt. No definite offers regarding Madagascar butters from sellers.

PEAS.—In slow request. Japanese, July-August, 22s 9d; September-October, 22s 6d per cwt, c.i.f. London.

PEPPER.—Pepper took a further downward turn, while influenced by larger selling orders from the East. Black Singapore, spot, 1s 4d; Lampong, 1s 3½d; Tellicherry, 1s 4½d; Aleppy, 1s 4½d; Muntok white, 1s 1½d. Lampong, May-July, sellers, 1s 0½d; August-October, sold, 11½d to 11½d; Muntok afloat, sold, 1s 8d; August-October, 1s 7d to 1s 6½d. Cloves idle. Zanzibar, spot, London, 1s; August-October, sellers, 1s 0½d; October-December, 11½d. Pimento, spot, 8½d 1b; August-September, to London, 7½s; buyers, 70s cwt, c.i.f. Singapore flake tapioca, August-September, to Havre, 19s 9d, sellers; Java, Banthong to U.K., 21s 5d; seed, 20s 3d, c.i.f. Sago flour, July-August, U.K., 11s; forward, 11s 3d to 11s 4½d, c.i.f. Dutch farina, August-September, 14s 3d, f.o.b. American corona starch powder, August-September, 15s 6d, c.i.f. U.K. Desiccated coconut, fine cut, spot, 39s; medium, 38s. African ginger in better demand, and spot, London, sold, 53s; forward, quoted 51s cwt, c.i.f. Jamaica, spot, ~~from~~ from 80s to 120s small to hold.

FRUIT (Dried).—Currants quiet, but rates very firm on light offer.

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

COMMERCIAL TIMES—WEEKLY PRICE \$5.00
The prices in the following list are revised with the assistance of an eminent firm in each department.

[illegible]

with rather more inquiry for apricots and pears. Further arrivals of Australian are to hand, and fine qualities sell readily. Californian pears, extra choice, 85s; fancy, 97s 6d. Apricots, royals, new crop, best, 117s 6d; second, 90s; third, 75s; Cape, new second grade, 80s; third, 70s; Australian, 85s to 110s. Californian peaches, choice, 62s 6d; extra choice, 65s; fancy, 70s. Plums: Californian, small sizes range from 31s to 38s; and larger, 42s to 64s. Apples: Californian, spot, sliced, extra choice, 110s per cwt. Almonds in light supply and held for full rates. Apricot kernels: Indian sweet, spot, 100s; September-October, 100s, c.i.f. China, bitter, spot, 52s 6d; shipment, 56s, c.i.f. Hazel kernels: Kerasunde, spot, 87s 6d; Barcelona, 92s 6d per cwt.

CANNED GOODS.

CANNED FRUITS.—The demand for Californian fruits has not developed to the extent anticipated, despite favourable climatic conditions, and apart from pears, stocks appear sufficient until the new pack is available. Australian descriptions continue in request at full rates. Singapore pines in moderate request on spot at late rates, but forward purchases still restricted. South African in short supply, and the new pack is also expected to be light. Tomatoes move off steadily at recent quotations.

CANNED FISH.—Sardines in steady demand for the better qualities. Portuguese clubs quoted 5s. Salmon firm. Red tails, spot, quoted, 48s to 51s 6d; pink tails nominal, and halves sell at 33s to 35s. Lobsters steady at 140s to 145s for halves, and 77s 6d to 82s 6d quarters. Japanese crab realised full prices. Best quality, 92s 6d to 95s.

CANNED MEATS.—In a limited request, at about late rates, but ox tongues are firm and reservedly offered.

CONDENSED MILK AND MILK POWDERS.—Milk: Full cream sweetened, English, spot, 45s; Dutch, 40s 6d; August, 42s; August-September, 43s 6d. Machine skimmed sweetened, English, spot, 27s 6d; Dutch, 26s; August, 26s 9d; August-September, 27s 6d; all in 5 cwt barrels. Powders: Spray, F.C., 26 per cent., 2 by 56 lb tins, prompt shipment, 96s; Spray, M.S. (1 cwt cases), 48s; Roller, F.C., 26 per cent., 82s; M.S., 42s, all nett, ex-wharf, London, duty paid. On the grocery side, F.C.S., 20s 6d; M.S.S., 11s 9d, basis per case, usual packing.

HONEY.—Market steady, but quiet. New Zealand, 58s to 88s, as to quality; Jamaica, 32s to 45s; San Domingo, 32s 6d to 50s; Haiti, 31s to 47s 6d cwt.

RUBBER

In fair demand, and market fully steady. Sheet, spot and August, sold, 9½d to 9½d; September, 9½d to 9½d; October-December, 9½d to 9½d; January-March, 9½d to 9½d. To New York, sheet, January-December, 1929, sold, 9½d lb, c.i.f. London landings last week, 1,921 tons; deliveries, 1,724. Stocks increased by 197 tons, at 35,445, against 63,626 at same time last year.

GENERAL.

JUTE.—Market steady, but trade conducted quietly. Firsts, old crop, July-September, quoted £35 15s; new, August-September, sold, £36 12s 6d; November-December at £36 15s ton. Hessians held steadily. Fair demand from Argentina.

DOMINION OF CANADA 4 PER CENT. REGISTERED STOCK, 1940-60 AND 2½ PER CENT. INSURED STOCK, 1947.

For the purpose of preparing the Interest Warrants due 1st October, 1928, on the above-mentioned Loans, the BALANCES will be STRUCK on the evening of the 1st September, 1928, after which date the Stock will be transferred ex-dividend. For Bank of Montreal, Financial Agents of the Government of the Dominion of Canada, G. C. CASSELS, Manager, 47, Threadneedle street, E.C.2. 1st August, 1928.

ASHANTI GOLDFIELDS CORPORATION, LIMITED.

Notice is hereby given that an Interim DIVIDEND (No. 53) of 25 per cent. (1s. per share) less Income Tax at 4s. in the £, has this day been DECLARED on the capital of the Corporation, in respect of the year ending 30th September, 1928, and will be payable on and after the 31st August, 1928, to all Shareholders on the Registers on the 3rd August, 1928. The Transfer Books will be closed from 4th August, 1928, to 11th August, 1928, both dates inclusive, for the preparation of Dividend Lists.

Warrants will be posted on the 30th August next.—By Order of the Board, HORACE MORGAN, Secretary, Registered Office, 6, Southampton street, Holborn, London, W.C.1. 31st July, 1928.

CITY OF SASKATOON 4½ PER CENT. CONSOLIDATED STOCK AND 5 PER CENT. CONSOLIDATED STOCK, 1941-61.

For the purpose of preparing the Interest Warrants due 1st October, 1928, the BALANCES will be STRUCK on the evening of the 1st September, 1928, after which date the Stock will be transferred ex-dividend. For Bank of Montreal, G. C. CASSELS, Manager, 47, Threadneedle street, E.C.2. 1st August, 1928.

HEMP.—Manila fully steady with moderate inquiries. J2, August-October, quoted £37 10s; K, sold, £31 net; L1, £11 10s; L2, quoted £26 10s; M1, sold £27 and sellers; M2, £26; S2, August, sold, £45; S3, quoted, £43 for August-October. Sisal out of favour at the moment. Manila receipts for the past week totalled 17,000 bales, compared with 28,000 at corresponding period last year; estimate for next week, 29,000, and following week, 28,000.

SHELLAC.—Quiet steady. T.N., spot, 227s 6d; October, 212s 6d; December, 210s cwt.

COPRA.—No change to note in this market, and business was confined to retail limits. Straits S.D., August-September, Rotterdam, £26 10s ton. Palm kernels quiet, unaltered.

MISCELLANEOUS.—Coconuts quoted 18s to 23s per 100. Coir yarn, Ceylon, £18 to £28 15s; Cochin, £28 10s to £40; Ceylon bristle, £19 to £25 10s; cinnamon leaf oil, 4d; citronella, Ceylon, 2s 2d; Java, 1s 11½d.

METROPOLITAN CATTLE.—August 2.

British Beasts, per stone of 8 lbs to sink the offal. Sheep per stone.

Beasts—Norfolk	s	d	s	d	Beasts—Heavy Bulls	s	d	s	d
Irish	..	..	..	..	Canadian	..	..	..	..
Cambridge	..	..	..	..	Sheep—Downs	8	0	9	4
Short Horns	6	10	7	2	Half bred	..	..	..	..
Herefords	7	2	7	6	Ewes	4	8	5	4
Derons	..	..	..	..	Scottish	..	..	..	..
Leicester runs	..	..	..	..	Lamb—Downs	8	8	9	8

LONDON POTATO MARKETS.—August 2.

English Kidney	s	d	s	d
Edward	6	0	7	0
	8	0	8	6

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A dividend of one and three-quarters per cent (1¾%), being the 118th consecutive quarterly dividend, has been declared on the Preferred Stock, payable August 15, 1928, to stockholders of record at the close of business August 6, 1928.

A dividend of one and one-quarter dollars (\$1.25) per share, being the 96th consecutive quarterly dividend, has been declared on the Common Stock, payable September 29, 1928, to stockholders of record at the close of business September 15, 1928.

The transfer books will not be closed.
D. M. FORGAN, Treasurer

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SATURDAY, AUGUST 11, 1928.

No. 4,433.

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THE MONEY MARKET.

STRINGENT conditions prevailed immediately after the
holidays, and on Tuesday the market had to borrow a
small amount from the Bank. This was mainly due to
the calling of funds for making-up purposes by several
of the clearing banks, and the withdrawals of currency
from the banks by the public was probably only a minor

factor. On Wednesday conditions were easier, but even so rates for short money ran up to over 4 per cent. The gold offered in London that day was all of it bought by Germany, and the failure of the Bank to secure any of it did not ease the position.

Discount rates have risen as a result of the above developments, and of the uncertainty in New York. Market rate is $4\frac{1}{8}$ to $4\frac{1}{4}$ per cent., and though the Continent are buying a certain number of bills, there is a general feeling that the outlook is one that calls for a fair measure of liquidity on the part of all operators. It is suggested that common action is being taken to stabilise market rate at $4\frac{1}{4}$ per cent. This would be a parallel to the position last year, when for many months the rate was held at $4\frac{1}{8}$ per cent.

	Aug 9, 1928.	Aug. 2, 1928.	July 26, 1928.	July 19, 1928	Previous Rate and Date Changed.
Bank Rate	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	5 (Apr. 21, '27)
Banks' Deposit Rate	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	3 (Apr. 21, '27)
Discount/Call	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	3 (Apr. 21, '27)
Houses/Notice	$2\frac{3}{4}$	$2\frac{3}{4}$	$2\frac{3}{4}$	$2\frac{3}{4}$	$3\frac{1}{4}$ (Apr. 21, '27)
Market rate (3 months' bills)	$4\frac{1}{4}$	$4\frac{1}{4}$	$4\frac{1}{8}$	$4\frac{1}{8}$	..

The Bank return reveals an increase of £773,025 in the stock of coin and bullion. Circulation was reduced by £438,260, so that the Reserve is increased by £1,211,285. The proportion of reserve to liabilities has consequently risen by $\frac{1}{8}$ per cent. Public deposits show an increase of £842,694, and Other deposits one of £991,031. Government securities have fallen by £140,000, but Other securities have risen by £675,424. Currency notes were increased by £3,172,000 to £300,819,000, which includes £1,251,000 for notes called in but not yet cancelled. The fiduciary issue is £243,318,100, or £1,617,000 below the maximum for 1928.

The Bank of Finland raised its discount rate on August 7th from 6 to $6\frac{1}{2}$ per cent.

NEW YORK MARKETS.

Our New York correspondent cables:—The share market reacted early in the week on bearish propaganda regarding an advance in the discount rate to 6 per cent., for which there were no signs either in money market or other conditions. Meanwhile, the Reserve statements reveal a moderate decline in the amount of credit extended and an improvement in the reserve ratios both locally and for the system. Brokers' loans are up 14 millions, but are still 300 millions below the peak. It is believed that the Reserve authorities will be slow to act unless speculative demands for credit increase sharply. There are many indications of good autumn business, and the crop reports reveal improvement with prospects of large yields generally.

THE STOCK MARKETS.

In spite of the holidays a firmer tone developed in the stock markets this week, and although the carry-over caused an easier tendency to develop on Thursday, there is evidence of some broadening of interest. The demand for insurance shares, the firmness of the oil share section, and, above all, another spurt in the market for gramophone shares, were the main features. Gilt-edged stocks were quiet on the score of monetary doubts, and the foreign bond market idle. Home Railway stocks improved, and held their improvement. In the industrial section Dunlops, with a shilling rise, were prominent, and Courtaulds were also well supported. Cable stocks were a little easier; rubber shares hardened, but tea shares were quiet. In the mining market tin was the principal centre of attraction, and some speculation is taking place. The market in new issues was not altogether happy, large discounts being established in several cases.

THE COMMODITY MARKETS.

Owing to the holidays business is quiet, and most markets record little change. Wheat prices are still declining under the influence of good crop reports. The

coal trade remains dull, with the exception of Glasgow, where reports appear a little more hopeful. The iron and steel trade remains quiet. In Middlesbrough business is reported to be very scarce. Sheffield steel is very lifeless, but export trade in some finished products is fair. Other metals are quiet, lead alone being in fair demand at steady prices. Liverpool cotton prices fell steadily prior to the issue of the first Bureau report. This was considered bullish, and prices recovered the ground previously lost. The Manchester cotton market has been somewhat irregular, with some improvement in the home trade, but few export sales. Bradford buyers of wool are still holding back in hope of a further fall in prices, and much machinery is idle. Reports just received of the good Australasian clips may relieve the situation. The hide market is weak, and leather is slack for the moment, but tanners are optimistic, in spite of the fact that boot and shoe manufacture is for the time being almost at a standstill. Vegetable oils are again easy, but rubber is firm.

FOREIGN EXCHANGES.

Dealings in the foreign exchange market were restricted by the incidence of the holiday. Attention centred chiefly on the American and Spanish exchanges. Sterling on New York declined to 4.85 $\frac{3}{4}$ on Friday of last week. Later a recovery to 4.85 $\frac{1}{2}$ set in, and temporarily removed apprehensions regarding the possibility of gold being taken from the Bank of England for shipment to New York. Towards the end of the week forward dollars were somewhat offered on fears of a rise in the New York rediscount rate. The Canadian rate was higher at 4.86 $\frac{1}{4}$ on Saturday, but relapsed to 4.85 $\frac{3}{4}$ at the close. Forward Canada remained unchanged. Paris steadily depreciated during the week, moving on balance from 124.12 to 124.23. Forwards were in better demand at 5 centimes premium for one month and 12 centimes for three. The Dutch exchange moved in favour of sterling, being quoted at 12.10 $\frac{3}{4}$, as compared with 12.08 $\frac{1}{2}$ last week. Forwards were lower at $\frac{1}{8}$ cent. and $\frac{1}{4}$ cent. discount for the two periods. Brussels eased off slightly to 34.90, with forwards somewhat in demand at $1\frac{1}{2}$ and $3\frac{1}{2}$ discount. The Spanish exchange remained steady at its previous level of 29.53 until Tuesday, when bear covering combined with speculative purchases of pesetas took the rate to 29.14. On Wednesday the peseta further appreciated to 28.80, but later reacted to 29.05. These movements were the result of the announcement that, in order to aid the Spanish Government to control the exchange, sterling and dollar credits had been arranged with foreign banking consortiums in London and New York. Forward pesetas proved a difficult market owing to the erratic fluctuations in the spot price, and were quoted at premiums of 5 cents for one month and 15 for three months. Milan, after touching 92.78 on Saturday, reacted again to 92.83. Forward lire were more offered at discounts of 8 and 20 centesimi respectively, as compared with 6 and 16 centesimi of a week ago. Geneva, after a fractional improvement, closed unchanged at 25.22. Small improvements were general among the Scandinavian exchanges, Stockholm moving from 18.15 to 18.13 $\frac{1}{2}$. The German exchange showed a small decline at 20.36 $\frac{1}{2}$, as against 20.35 $\frac{1}{2}$ last week, while forward marks were in slightly better demand at $3\frac{1}{2}$ and 9 $\frac{1}{2}$ pfennigs discount for the two periods. Further purchases of gold from the open market, amounting to £638,000, were made on German account, but these were not for arbitrage purposes. With the improvement in the dollar the European currencies allied thereto showed slight gains—Warsaw at 43.32, Budapest at 27.85, and Austria at 34.42. Among the South American exchanges Buenos Aires improved to 47 13-32d and Monte Video to 50 $\frac{3}{4}$ d. Rupees continued around 15 29-32d, while yen, after minor fluctuations, closed at 15 to 13-32d. Batavia was 12.10 $\frac{1}{2}$. Silver declined early in the week from 27 $\frac{1}{2}$ d to 27 $\frac{1}{8}$ d per ounce for both spot and forward as a result of Chinese selling. A recovery took place later to 27 $\frac{3}{8}$ d per ounce. Hong Kong was 25 0 $\frac{1}{2}$ d and Shanghai 25 8 $\frac{1}{4}$ d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended August 4, 1928:—

(000's omitted.)			
EXPENDITURE.	£	RECEIPTS.	£
Supply Services	9,566	From Revenue	14,332
Interest, &c. on Debt	14,697	Increase in Debt	10,736
Sinking Fund	710	Decrease in Balances	391
Sundries	776		
	25,459		25,459

The Ordinary Revenue for the week amounted to £14,332,400, as compared with £15,634,700 in the corresponding week last year. Property and Income-tax was lower at £4,938,000 against £6,087,000, and Super Tax at £310,000, against £410,000. Customs and Excise were higher at £2,196,000 and £922,000, against £2,061,000 and £873,000 respectively. Ordinary Receipts brought in £376,800, against £1,853,200, and Special Receipts £1,300,000, against £950,000. The national debt was increased by £10,736,600, as shown below:—

(000's omitted.)			
	£		£
Public Department Advances	1,000	Treasury Bills	11,977
National Savings Certificates	250	Sundries	10
	1,250		11,987

The floating debt was increased by £11,020,000 to £768,115,000.

FINANCIAL YEAR, 1928-29, April 1 to Aug 4, 1928.

£		£	
Expenditure	276,973,360	Revenue	187,537,580
		Amount borrowed ..	85,671,633
		Decrease in balances	3,764,147
	276,973,360	Total	276,973,360

ESTIMATES (New Basis), 1928-29.

£		£	
Expenditure	676,581,000	Revenue	*756,083,000
Sinking Fund	65,000,000		
Surplus	14,502,000		
	756,083,000		756,083,000

* Includes £13,200,000 from Currency Notes Assets.

SELF-BALANCING REVENUE AND EXPENDITURE.

£		£	
Post Office	57,314,000		
Road Fund	21,300,000		
	78,614,000		

The surplus of £4,239,000 for 1927-28 is carried forward.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Bank of New Zealand, Aramayo Mines in Bolivia, Bisichi Tin (Nigeria), and Waring and Gillow. The chairman's speech at the Bank of New Zealand meeting is referred to in a "Note of the Week." At the Waring and Gillow meeting Lord Waring gave figures regarding foreign contracts recently secured.

ECONOMIST INTELLIGENCE BRANCH.

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

MR BALDWIN AND PROTECTION.

SINCE we wrote last week about the divergencies of Ministerial opinion on matters of fiscal policy, the Prime Minister has taken two opportunities for an attempt to clear up the obscurities of the position. In a reply to a question in the House of Commons on the penultimate day of the Session, Mr Baldwin endorsed Mr Churchill's "no fundamental change" speech, and this he followed up by a letter to the Chief Whip of the Conservative Party. Having given to both pronouncements the most careful attention, we reluctantly confess that the position remains obscure, unsatisfactory, and disquieting. Such criticism of considered statements by the Prime Minister of the day requires full substantiation; but this, surely, emerges in abundance when the salient facts are baldly set out.

Ten days ago the position was this. The Chancellor of the Exchequer had said that, in his view, we ought

not to make any "fundamental change" in our fiscal system, while the Home Secretary had called for an extension of protection. A statement by the Prime Minister was eagerly awaited. On August 2nd in Parliament Mr Baldwin endorsed Mr Churchill's statement and rather curtly declared that the Home Secretary's speech seemed to contain no policy at all. He resisted, however, the efforts of Opposition hecklers to draw from him any elaboration of a rather laconic reply. Apparently the Party authorities realised that something further was required, and two days later a letter from the Prime Minister to the Chief Whip of the Conservative Party was issued for publication. The gist of this letter, when stripped of Party commonplaces, may be summarised in a few words:—

We are pledged, and shall continue to be pledged, not to introduce Protection or impose taxes on food. Protection is a red-herring.

Safeguarding continues to be our policy. Certain simplification in procedure may be made in the light of experience.

No manufacturing industry will be debarred from presenting its case before the appointed tribunal.

Here, indeed, is abundant ground for perplexity. Mr Baldwin has earned a reputation for saying what he means. But what, in this particularly vital matter of policy, does he mean? There is to be no protection. But apparently there is to be an "appointed Tribunal," before which any and every manufacturing industry may lay its plea for a protective duty on competing imports. If this interpretation of Mr Baldwin's letter is correct—and it is difficult to see that any other is possible—the position becomes entirely bewildering. The moment a single appointed tribunal sits to examine the claims of an unlimited number of industries (including presumably basic industries, for no industry is to be debarred) the whole question of general protection immediately and inevitably arises. Yet Mr Baldwin expressly repudiates protective policy. An elucidation of this mystery is imperatively required. The most likely explanation appears to be that, in view of the cleavage of opinion on the fiscal issue in the Conservative Party, Mr Baldwin and the Party managers are playing for time, and putting off the evil day when they must commit themselves in one sense or the other. Mr Baldwin is about to take a well-earned holiday. When he returns in September to face the Conservative Party Conference a definite statement of fiscal policy can no longer be delayed.

Meanwhile, with all respect, we suggest to the Prime Minister a few points for holiday reflection. The first is this. Is there any substance whatever in the distinction, on which his letter insists, between "safeguarding" and protection? The distinction might exist if the duties imposed under the "safeguarding" system were applied merely to certain countries, or were definitely temporary, or were designed to meet specific emergencies, or even if they were very moderate in height. But none of these conditions hold. The duties are high; they are applied against all foreign countries; there is no guarantee against their permanence. A policy of safeguarding is, as the Home Secretary has bluntly admitted, a policy of protection. More than that, it is a policy of high protection. The only possible difference that we can conceive between "safeguarding" and protection is that hitherto the former has only been applied to minor trades; but now, according to Mr Baldwin's letter, it is to be so extended that all manufacturing industries are to rank as applicants.

The next point for Mr Baldwin to ponder is this. The most significant phrase in his letter is that which refers to "the appointed tribunal." If the Government intends to adopt a frankly protectionist policy the substitution of one tribunal to consider the effect of all protective duties, in place of the present *ad hoc* individual committees, is a sensible step. But inasmuch as every trade will be free to come to the Tribunal, it will be idle to pretend that this body will not be considering the whole question of protection in general. In this connection the vital question arises whether the preliminary consideration by the Board of Trade, which takes place under the present system, and which incidentally caused the iron and steel industry to be debarred from application, is to be cut out. If this is the Government's intention it is important to realise certain important corollaries. In the first place.

the Government must give such a Tribunal far more carefully considered instructions as to the principles on which it is to act than have yet been considered either by the Government or by Parliament; and in the second place, its reports must come before Parliament for legislation in the form of a Tariff Bill which is open to amendment, and not in the form of individual items in the Finance Bill on which it is impossible to discuss the whole economic repercussions of the duties which are proposed.

Finally, the Government and the public should realise that there is all the difference in the world between the appointment of a Tribunal, such as the Prime Minister's letter seems to suggest, and the suggestion put forward in the *Times* for the appointment of a Royal Commission to inquire whether or not it is wise in the present condition of the country to move further in the direction of protection. If the Government is sincere in agreeing with Mr Churchill that no fundamental departure from our traditional fiscal system, either now or after the General Election, is desirable, the appointment of such a Royal Commission might, in view of the divergencies of opinion in the Conservative ranks, be an intelligible move. It would, in any case, be far preferable to a subtle and far-reaching change in the character of "safeguarding" procedure, which might carry the country much further in the protectionist-direction than it ever thought of or intended.

These are matters of high policy, with which the future of industrial Britain are vitally concerned. They do not lend themselves to light-hearted or hasty decision. Yet, with a General Election approaching, the country rightly expects to be told, soon and clearly, precisely where Mr Baldwin and his Cabinet stand on the fiscal issue. We do not envy the Prime Minister his holiday task.

THE ORIGINS OF THE WAR.

FOR the layman, at any rate, the interest of documents bearing on the origins of the Great War increases as the plot thickens. It will be remembered that the editors of the British series of documents began by publishing their eleventh and concluding volume (arranged for them by the Historical Adviser of the Foreign Office, Mr Headlam-Morley) which covers the last twelve days. Since then they have published their Volumes I. and II., which deal principally with the establishment of the Anglo-French Entente; and now we have Volume III.,* which is aptly entitled "The Testing of the Entente," and which is mainly occupied with the first Morocco crisis.

The editorial work has been done with that expertness and conscientiousness which is to be expected from the two distinguished editors. Their expertness, if possible, increases with the growth of their experience in this particular piece of work. As for their conscientiousness, it is kept on the *qui vive* by the practice of the Foreign Office (itself a mark of conscientiousness) that documents containing information supplied or opinions expressed by foreign Governments should be communicated to them for their agreement. "The response in this volume," the editors inform us, "has been quite satisfactory"; and they "have omitted nothing which they consider essential to the understanding of the history of the period." No doubt, as the atmosphere becomes more tense, and the diplomatic transactions more delicate, with the march of events towards their catastrophic dénouement, the temptation to deprecate the publication of this or that passage may become greater. The editors evidently have this contingency in mind; for, in their foreword to the present volume, "they think it well here to state, what was already implied in their preface to Volume I., p. viii., that they would feel compelled to resign if any attempt were made to insist on the omission of any document which is in their view vital or essential."

As for the contents of Volume III., the first Morocco crisis is of permanent interest, not so much in itself, but—as the title given to this volume indicates—in the light of its influence upon the development of British relations with France and Germany respectively. The editors themselves cite, as particularly interesting and important pieces, the papers of Colonel Barnardiston detailing his conversations with Belgian military authorities in January-April, 1906 (here published for the first time in full); a portion of Lord Haldane's diary of his visit to Berlin in the late summer of 1906 (the first portion has been lost); a memorandum, dated January 1, 1907, by Mr (afterwards Sir) Eyre Crowe on the present state of British relations with France and Germany, together with observations by Lord Sanderson and minutes on these observations by Mr Crowe; and an appreciation by the British Ambassador at Berlin, Sir Frank Lascelles, of the personality of the Emperor, which was included in his General Report on Germany to the Foreign Office for the year 1906.

Personality is, and presumably always will be, the governing factor in diplomacy; for the reality of diplomacy lies in personal transactions between individual human beings, acting in the name of states which are mythological abstractions, and of Governments which are simply more or less effectively organised committees. The abstraction of the State is not less mythological when it is styled "The French Republic" or "The United Kingdom" than when it is frankly called "Dea Roma" or "Athene Poliuchus"; and, as for Governments, these, like Baal in the famous ordeal of the Gods, may be "on a journey" at the critical moment when they are called upon to act. For instance, on January 10, 1906, that is, on the eve of the Algeiras Conference, when Monsieur Cambon called on Sir Edward Grey at the Foreign Office in order to place before him the view that "it was of great importance that the French Government should know beforehand whether, in the event of aggression against France by Germany, Great Britain would be prepared to render to France armed assistance," Sir Edward could only answer that "at the present moment the Prime Minister was out of town, and that the Cabinet were all dispersed seeing after the elections; that we were not as yet aware of the sentiments of the country as they would be expressed at the polls, and that it was impossible therefore for me in the circumstances to give a reply to His Excellency's question."

In this volume the personalities of two British diplomats stand out—those of Sir Edward Grey, who had just taken over from Lord Lansdowne the Secretaryship of State for Foreign Affairs and that of Mr Eyre Crowe, who had just become Senior Clerk in the Foreign Office. Between these two characters it would be easy to draw a dramatic contrast. It could be done by citing texts from their own written words. "I have heard party politics at home abused as mean and low," Sir Edward Grey writes privately on January 15, 1906, to Sir F. Bertie at Paris, "but.....the mud of Foreign politics is deeper than any I have been in yet. You seem to take it as a matter of course." And, in a postscript mentioning that there are to be Anglo-French military conversations: "All this, however, is sheer precaution. I detest the idea of another war now, and so does the whole of this country, and so will the new House of Commons." One might contrast with this Mr Crowe's observations after submitting evidence to confirm "the impression that Germany distinctly aims at playing on the world's political stage a much larger and much more dominant part than she finds allotted to herself under the present distribution of material power." His comment is that "it would be taking a narrow view of the function of political criticism to judge this theory of national self-assertion as if it were a problem of morals to be solved by the casuistical application of the principles governing private conduct in modern societies. History is apt to justify the action of States by its general results, with often but faint regard to the ethical character of the means employed." This is "the old diplomacy" with a vengeance; but it has a code of its own, though this seems antiquated now. For example,

Mr Crowe holds that it is not "for British Governments to oppose Germany's building as large a fleet as she may consider necessary or desirable for the defence of her national interests. It is the mark of an independent State that it decides such matters for itself, free from any outside interference, and it would ill become England, with her large fleets, to dictate to another State what is good for it in matters of supreme national concern." Mr Crowe's prescription for bringing Germany to reason without breach of diplomatic good form was to go on doggedly but silently laying down two British ships for every single German one.

The contrast pointed by these quotations is likely to suggest itself to any reader of this volume; and yet, in several important respects, of which their countrymen may be proud, Lord Grey and Sir Eyre Crowe resemble one another: they are both of them personally disinterested, both of them intellectually scrupulous, and both of them conspicuous for their moral courage. On the point of intellectual scrupulousness, we may cite Sir Eyre Crowe's testimony to German national virtues in his memorandum (p. 406 of this volume) and Lord Grey's anxiety to prevent French diplomatists from being unduly influenced by an expression of his "personal opinion that, in the event of an attack by Germany upon France, no British Government could remain neutral" (p. 181).

One rather startling thing that comes out in this volume is that both these distinguished and commanding personalities, in spite of the fact that their personal weight was reinforced by their official positions, were acting largely in the dark, even in regard to crucial transactions. For instance, Lord Grey in January, 1906, sanctioned inquiries being addressed by the British Military Attaché at Brussels to the Belgian Military Authorities as to the manner in which, in case of need, British assistance could be most effectually afforded to Belgium for the defence of her neutrality. These Anglo-Belgian military conversations duly took place; the Barnardiston papers, printed in this volume, give the record; and the editors are able to show (p. vii.) that these papers were unknown to Lord Grey himself in 1915! Again, Sir Eyre Crowe was palpably hampered at every turn in his official work by the Foreign Office tradition of conducting precisely the most momentous diplomatic transactions through private channels without an official record. It is believed to have been Sir Eyre Crowe himself who—by his energy, courage, and ability—succeeded in introducing, very late in the day, into the procedure of the Foreign Office a modern system of filing and registration. Characteristically, he seized upon a number of openings given him by Lord Sanderson's observations on his memorandum of January 1, 1907, in order to take the offensive against the old unbusinesslike tradition—an offensive which required courage and even audacity, considering that Lord Sanderson had then only recently retired from the Permanent Under-Secretaryship of State for Foreign Affairs after holding that office for a dozen years. Sir Eyre Crowe certainly well earned his succession to the Permanent Under-Secretaryship during the last years of his own career.

So we are brought, in this volume, a long step further on the road towards the catastrophe of 1914—and the possibility of the catastrophe was already foreseen, not only by a Sir Eyre Crowe or by a Monsieur Cambon, but by the Chief of the Belgian General Staff. What nobody seems to have seen was the degree of calamity which that catastrophe would entail. "I certainly think the Belgians would fight," Colonel Barnardiston reports on March 3, 1906, "if the Germans only marched through Luxemburg. That is certainly the feeling in the Army, and, as General Ducarne said to me, they would consider it a duty owed to the country for the sacrifices made to maintain an army during all these years, to act vigorously against any violator of their neutrality." Thus, little more than six years before the general war of 1914-8, professional soldiers in eminent positions were still able to contemplate it as an affair of professional honour, as if the soldiers were firemen or football-players, and the civil populations were just spectators, entitled to expect *beaux gestes* from their national teams. A tragic misconception for all concerned.

THE COMPANIES ACT, 1928.—I.

The Companies Act, 1928, to which Royal Assent was given last week is of such great importance and covers so wide a field that we propose to summarise its main features in a series of articles written by an expert on company law. The first article deals with Prospectuses and Offers for Sale. Subsequent articles will deal with the provisions relating to balance sheets, holding companies, the duties and obligations of directors, auditors, and various other sections of the Act.

THIS Act, passed during the last session of Parliament, may be regarded as one of the most important pieces of legislation of a non-party character passed for some years. Founded upon the recommendations of the Committee appointed by the Board of Trade, of which Mr Wilfred Greene, K.C., was chairman, it will affect the financial and business community in a number of ways.

Section 92, which prohibits "share hawking" and "share pushing," is to come into operation at once, and is, in fact, now in operation; the remainder of the Act will only come into operation on the making of an Order in Council. This Order will not in all probability be made until a Consolidation Act has been passed, thus affording the business community an opportunity to prepare itself for the important changes in the law which have been made.

The Act contains 118 sections, and will affect everyday company practice. It will only be possible within the limits of space here available to indicate in broad outline the nature of some of the more important provisions of the Act, leaving those interested to obtain more detailed information from the Act itself, or from text-books which will no doubt shortly appear.

1. *Prospectuses and Offers for Sale of Shares or Securities.*—The first point to be noted under this heading is that, generally speaking, the law applicable to prospectuses of companies registered under the Companies Acts is now made equally applicable to prospectuses and offers for sale in the case of foreign companies (Sections 92 and 93), thus abolishing the anomaly under the previous law, which required domestic companies to supply detailed particulars with regard to sums payable to promoters and vendors, directors' remuneration, &c., while leaving a foreign company, or the vendor of shares in a foreign company, free to provide as much or as little information as it or he thought fit. Section 93 (6) will subject newspaper proprietors, printers, advertising agents, and others to heavy fines if they are knowingly parties to any breach of the law in connection with prospectuses of foreign companies. There is no corresponding provision with regard to the prospectuses of domestic companies.

The new Act also brings within the scope of the law applicable to prospectuses what have been colloquially known as "sale prospectuses" (Sections 32 and 93 (5)). No longer will it be possible for a company to evade the requirements of the law as to prospectuses by selling to some third party a block of its shares or securities, with the intention that such third party shall immediately offer the same to the public for "sale." In future where a company agrees to allot any shares or securities, with a view to all or any of them being offered for sale to the public, substantially the same information will have to be given as is required in the case of a prospectus issued by the company itself. A company will, unless the contrary be proved, be presumed to have agreed to make an allotment with a view to a public sale (1) if an offer to the public is in fact made within six months, or (2) if at the date of the offer for sale the shares or securities have not been paid for in full by the original purchaser. These provisions will presumably render "sale prospectuses" largely obsolete, except in those comparatively rare cases where a large block of shares or securities, previously held by some individual or financial institution, is to be split up by means of a public offer.

The new Act (Section 33) requires that prospectuses (which phrase may now for all practical purposes be deemed to include offers for sale) shall give in addition to all information previously required:—

- (a) the rights as regards dividend, capital, and voting of all different classes of shares;
- (b) the profits for each of the three preceding years

* British Documents on the Origins of the War, 1898-1914, edited by G. P. Gooch and Harold Temperley: Vol. III., "The Testing of the Entente," 1904-6 (London, 1928, H.M. Stationery Office, 10s 6d net.)

of the company or of any business which is to be acquired;

(c) particulars of the dividends paid on each class of shares for each of the three preceding years.

These provisions will, it is anticipated, effectively prevent the statement of profits as an average, and compel the statement of the figures for each of the last three years separately.

In the case of "sale prospectuses" it will also be necessary to state the net price receivable by the company for the shares or securities, which are being offered for sale, and the contract under which they were purchased will have to be offered for inspection.

The Greene Committee recommended that it should be made illegal to issue an abridged prospectus, containing, or having annexed to it, or sent with it, an application form. The object was, no doubt, to put an end to a practice, which had grown up, of inserting in newspapers advertisements of prospectuses, from which many of the material paragraphs had been omitted by way of abridgment, while at the same time inviting persons to sign and return an application form attached to the advertisement. It is apprehended that this always has been a contravention of the law, and it is now by the new Act declared to be illegal. It remains to be seen whether the new Act (Section 33 (1) (iv.) and Section 93 (1) (b) does not go even beyond the recommendations of the Greene Committee on this point.

An attempt is made by the New Act to put some real meaning into the phrase "minimum subscription." As is well known, the provisions of the Act of 1908 with regard to minimum subscription had become a dead letter, owing to the practice of fixing the minimum subscription at seven shares. Under the new Act (Section 35) a company will, when it offers shares for subscription, be required to state the minimum amount which in the opinion of the directors must be raised to provide (1) the purchase price of any property to be acquired, (2) the preliminary expenses and underwriting commission, and (3) working capital. This is certainly an advance on previous practice. It is to be noted that this provision applies only in the case of prospectuses offering shares. It is not altogether obvious why a similar provision should not also apply to prospectuses offering securities.

The hawking of shares or securities from "house to house" is absolutely prohibited (Section 92) and made a criminal offence, but for this purpose an office used for business purposes is not a "house." It is a curious commentary upon life that while the sale of shares or securities by this means is made a criminal offence in Great Britain, it is the recognised way of conducting business in America and Canada, where all bankers, even those of the highest repute, have a force of trained experts peddling bonds and shares, literally from house to house all over the country.

Section 92 also now for the first time makes it a criminal offence to make any written offer to "any member of the public" of any shares or securities for sale, unless such offer is accompanied by a signed statement giving the particulars required by the Act, and nothing else, which particulars amongst other things must include the date and place of incorporation, the authorised and issued share capital, the rights conferred by the different classes of shares, whether any, and if so what, dividends have been paid for each of the last three years on each class of shares, amount of debentures outstanding and rate of interest, names and addresses of directors, and whether the shares or securities are quoted or dealt in on any recognised stock exchange.

The Court is given power to cancel any contract made in breach of the Section, which is to apply to every written offer to any member of the public, other than (a) shares or securities quoted or dealt in on any recognised stock exchange in Great Britain, (b) an offer to a person whose ordinary business it is to buy or sell shares or securities whether as principal or agent, (c) offers made only to persons with whom the offeror has been in the habit of doing regular business in the purchase or sale of shares or securities, and (d) in the case of foreign companies an offer made by means of a prospectus which complies with the Act. The provisions of the Section are difficult to construe, but it would appear that the

Section has no application in any case where shares have been allotted with a view to a public offer for sale, even though such public offer be not in fact made (Section 92 (2) (b)).

Section 92 is very drastic. It remains to be seen what construction the Courts will place upon the words "any member of the public." On the face of it everyone is "a member of the public," and unless the Courts place some restricted meaning on these words, it would appear to be made a criminal offence for a man to make a written offer of shares for sale to his mother-in-law or his brother or sister, or any other relative or friend, without giving the required details.

It is expressly provided that a person may still be "a member of the public" even though he is already a shareholder in the company.

Presumably the Courts will have to decide how many transactions are necessary in order to constitute a habit of doing regular business. It is apprehended that this will be held by the Courts to be a question of fact and to be decided in each case on its own merits.

The power of the Court to cancel a bargain made in breach of the Section will probably prove to be a more effective deterrent than the fine of £200 or even imprisonment.

(To be continued.)

COAL TRADE REVIVAL MOVES.

(BY A CORRESPONDENT.)

COAL trade efforts and achievements since the 1926 disaster have been so various and interesting, and current moves are so important, that it may not be amiss to present a brief summary of them. In 1926 we imported as much coal as we exported, therefore we began 1927 in conditions of unprecedented depression and adversity. The world had made itself able to carry on without British coal. Some of our rivals had made contracts running right through 1927 and into 1928, whilst our industry was suspended. Not only so, but since 1926 we have had to face the competition of a world's excess productive capacity—a capacity swollen in consequence of our strikes—and we have had to face special foreign protective measures carried to penalise our coal and assist the foreign mining industries.

In spite of all that we exported 51,000,000 tons in 1927, a tonnage not far short of the combined exports of Germany and the United States. We exported five times as much as Poland, about which we hear so much as a formidable competitor. And in the first half of 1928, badly as we have done, our exports have very nearly equalled the combined exports of Germany, America and Poland.

In the matter of output per unit of labour we have slightly beaten our 1913 quantity, which was nearly 21 cwt per man-shift. Under the Seven Hours Act we fell as low at one period as 15 cwt per man-shift. In mining costs per ton we are probably nearer to the low American level than ever we have been. As near as can be made out, we are within 4s a ton of the United States cost, and as our rail hauls from pits to ports are very much shorter and cheaper than those in the wide United States, we have our coal export prices well under the American level; we are beating American coal in every neutral market but Canada, and at last we are able to challenge it boldly in that market.

Our wage cost per ton is still higher than that in Germany, but our "costs other than wages" are very much less than those of that country, so that, for the first time since the mark was stabilised, our pithead costs are about 1s per ton less than the German costs, and as, in the case of competition against the Americans, we have shorter and cheaper transport hauls than the Germans we are comfortably beating our chief competitor in most neutral markets, and even at some points in Germany. Polish competition remains keen, on a price basis, but it is strictly limited by rail and dock considerations. A million

tons per month is the most that Poland can export by sea, river, canal and rail combined.

In the past half-year our average export price has been 15s 8½d per ton, compared with 18s 1d in the months of 1926 before the big stoppage. In the first half of 1913, when cash values were very different, the average export price was 13s 9d. Under Government control and other factors the price soared to 83s 4d in 1920. Some of the customers driven away by that price have not yet returned. Holland, for example, is producing for herself nearly five times as much coal as before the war. Perhaps a few statistics may be given in handy form, thus:—

BRITISH COAL EXPORTS AS CARGO ONLY, QUANTITIES AND PRICES.			
Year.	Tons.	s.	d.
1913	73,000,000	13	10
1920	25,000,000	83	4
1921	25,000,000	34	10
1922	64,000,000	22	8
1923	79,000,000	25	1
1924	61,000,000	23	4
1925	50,000,000	19	10
1926	20,000,000	18	1*
1927	51,000,000	17	9
1928 (first half)	24,000,000	15	8

* Average price prior to the strike. The average over the whole year was 18s 8d.

A few wage and cost of living figures may also be put in as follows:—

AVERAGE EARNINGS per SHIFT and the COST of LIVING INDEX.			
	s.	d.	
1913	6	8	100
1922	9	11½	182.7
1923	10	1	173.6
1924	10	7½	175
1925	10	6	176
1928 (latest returns)	9	5	165

The greatest achievement has been reduction in costs of, roughly, 3s a ton since the last few months before the 1926 stoppage. Under the Seven Hours' Act we arrived at a stage where the cost of coal was too dear for competitive trade purposes. The industry was seriously over-manned. The output per unit of labour was too low. The wage cost per ton was too high. The process of bringing the output per man back to the pre-war level has been painful, but it has been necessary. The problem now is to get the industry to a profitable standard without driving trade away by high prices. Probably the adoption of the three-shift, or continuous shift system of working in the mines and at the coal loading docks would further reduce costs and revive the export and bunkering trades.

Besides the actual economy achievements and the re-establishment of our position as the greatest exporters in the world, we have various control, regulation and marketing schemes and other moves of interest. The new and more or less loose combination or co-operative agreements or understandings effected by the Midland, Scottish and South Wales coalowners to get themselves out of their troubles are fairly well known. But there are other moves not yet in the general public eye. In the closing weeks of last year there was a remarkable conference in London, under the chairmanship of Sir Richard Glazebrook, to discuss a scheme to standardise and analyse coal so as to determine its properties and values for the benefit of consumers, and to check the competition of foreign coals and rival fuels, such as oil and lignite. The conference was attended by representatives of coalowners, railway companies, gas and other consuming undertakings, manufacturing and engineering trades, home and export coal merchants. It was decided to adopt standardisation and scientific methods of preparing coal for markets and to give buyers proper specifications by which they may know the calorific and other properties of every grade of coal offered. Gas undertakings, for instance, have to be very careful about the kinds of coal they buy, because not only of the gas yield, but the chemical and other by-product yield. Marine and railway engineers have to be far more particular about their fuel than in the old days. Under the new scheme buyers will have exact accounts of their coal and guarantees as to its properties. A strong committee was appointed to carry out the scheme. Results will be announced in due course. The work is going forward. Concurrently the private laboratory work at the big collieries and also the researches of the Fuel Board are being developed. Gas makers are improving their methods. Oil may yet be obtained from

our coal at a price that will stop our imports of foreign oil and save us several tens of millions of pounds a year. Marine engineers are conducting experiments—indeed, they have obtained results—which support the idea that the coal-fired boiler is not only not yet played out, but that it may beat back its new competitors. Only a few days ago a Clyde shipbuilder was able to announce a 20 per cent. fuel economy in a new type of marine boiler.

In the closing days of last month there were two important meetings of representative British coalowners. One meeting discussed the question of linking up the new associations and combines into a national cartel or syndicate. The meeting is to be followed by others at an early date. The other meeting debated the possibility of forming an Anglo-Polish Coal Convention, as suggested a few weeks ago by the president of the Polish coalowners. There will be further discussions, or conferences. There is also a wider move for an agreement between German, British and Polish coal exporters.

One of the most promising moves in our coal trade is that to develop business with Canada. That Dominion imported 18,000,000 tons of foreign coal last year. Our production and transport costs are now such that our coal can be quoted at a lower figure than the lowest-priced American coal in Canada. Our owners have formed a co-operative agency to sell coal in the Dominion. The prospects are highly promising.

INDIAN PROBLEMS.

(BY OUR CALCUTTA CORRESPONDENT.)

LORD LINLITHGOW and his colleagues have no reason to feel dissatisfied with the reception accorded to the voluminous recommendations of the Indian Agricultural Commission. The point of greatest practical importance is the attitude of the Central and Provincial Executives, and, in particular, of the Finance Departments. India has had experience of so many Commissions and Committees in recent years whose recommendations have never got beyond the shelves of the Secretariats, that a general scepticism in relation to the latest method of attaining an economic millennium is forgivable. The chief fertiliser required by Indian agriculture is finance, and on that point Government have been very niggardly. In 1926-27 the net expenditure of the Imperial and Provincial Departments of Agriculture totalled Rs. 103½ lakhs, which works out at about 9 pies (less than one anna) per acre of cultivated land and 8 pies per head of population in British India. Out of a revenue of nearly 90 crores of rupees the Provincial Governments are spending a little more than 1 per cent. on the development of an industry supporting three-fourths of the population, while the net expenditure borne by the Central Government is only 0.07 per cent. of the total revenue. It is not merely a question of progress. "The population is increasing so fast," the Agricultural Adviser to the Government of India stated in his recent annual report, "that it is imperative to make agriculture more efficient in order to retain the present standard of living. Agriculture can be made more efficient—that is to say, the cost of production can be reduced and the margin of profit increased—by the application of science to its manifold problems. Should India fail to provide the number of scientific experts needed for the progressive development of her agriculture, it will be impossible to maintain even the present standard of living, for as the years roll on there will be millions of more mouths to be fed." It is in the light of such considerations that the modest recommendations of the Agricultural Commission must be appraised. Only a moderate addition to the present outlay is suggested, but that addition, it may be hoped, will be conceded without delay and without curtailment.

It is, indeed, one of the difficulties, one of the discouragements, of the Indian situation that every effort to improve the means of subsistence is at once more than offset by an increase of population which defeats every attempt to raise the average standard of living. In brief, the influence of social customs is all-important, and, to

quote the semi-official *Indian Medical Gazette*, "India must desist from the process of increasing the population by the marriage of immature boys and girls, who are compelled to become fathers and mothers before they are able to maintain themselves in reasonable comfort." The position is clear. "There are two great laws of Nature which must be learned and obeyed. One is that disease can only be prevented by removing its causes; the other is that the available food supply can maintain in health and comfort only a certain number of human beings. If the population outgrows the food supply, Nature will restore the balance by disease or famine, or both. India may be able to maintain her present population in comfort by improvements in agriculture and industries by preventing the drain which results from maintaining millions of useless cattle and the wasteful social customs which exist, but there is no hope of prosperity so long as every increase in the food supply is accompanied by a corresponding increase in the number of mouths which have to be fed. Our educationists ought to study economics, and, having done so, they ought to teach the rising generation the principles which must be followed if human beings are to enjoy a reasonable degree of health and comfort." It is an item in the indictment of British rule formulated by advanced politicians and social reformers that until the Government of this country is completely Indianised the State is inhibited from effective action in relation either to popular education or social legislation, including, in the latter category, such measures as a fixation of a minimum age for marriage, &c. Whatever opinion may be held on that point, there will be general endorsement of the view expressed by the Royal Commission that "no substantial improvement in agriculture can be effected unless the cultivator has the will to achieve a better standard of living and the capacity, in terms of mental equipment and physical health, to take advantage of the opportunities which science, wise laws and good administration may place at his disposal." Equally clear is it that "If the inertia of centuries is to be overcome, it is essential that all the resources at the disposal of the State should be brought to bear on the problem of rural uplift." The last and greatest service the British Raj can confer on the Indian peasant is to endow him with a greater measure of education and economic independence than he can be said to possess to-day, after 159 years of British rule. Political swaraj would prove a meretricious gift if it left the overwhelming majority of the population in a status little removed from economic slavery. While, in the provincial sphere, British management of Indian affairs may be visualised, without distortion, as on the eve of complete and compulsory liquidation, it is not unreasonable to anticipate that, in the upper reaches, the British Services may rely on a renewal of their lease, if only for a short period. During the period of that lease they can render no greater service to India than by bestowing something approximating to individual economic swaraj on the cultivator. In employing this phraseology I use the jargon of the period. British rule is nearing the end of its utility, but, as an influence working for emancipation, it still retains the ability to make a substantial contribution to the economic welfare and contentment of the Indian people, particularly the ryots.

To tariffs hindering the entrance of British goods Indian politicians and financiers would like to add legislation expropriating British shipping interests by reserving the coastal trade for the exclusive benefit of vessels under Indian ownership and control. In such a situation the location of political power is all-important, and the contents of the arguments *pro* and *con* entirely subordinate. As long as a British Executive wields power at Delhi British shipowners will retain the freedom of the Indian seas. *Per contra*, immediately India secures Dominion status British shipping will disappear from the coastal trade, and many other evidences of British enterprise will be extinguished simultaneously. That perhaps is but another way of saying that it would seem expedient to reduce our political and financial commitments in India, as far as may be practicable, concurrently. The retreat has already begun in the industrial sphere; it remains to devise measures to eliminate from the Indian balance-sheet the large sums advanced by British investors for Indian development, chiefly for utilisation on railway and irriga-

tion projects, through the agency of the Government of India. In other words, the British Raj cannot be bumped, bombed or bluffed out of India, but may, in due course, be bought out, re-investing the money so repaid in the Crown colonies which are in a less favourable position than India to finance their own capital requirements. The opportunity for repaying a portion of the sterling debt arose during the war years, but was neglected. The late Sir David Yule continued to the end to add to his Indian investments, but he was not a politician, and he did not understand the political mind. The fact is that the determination to oust the white man, so evident in the political arena, is no less obtrusive and persistent in the market places; nor do most of the politico-industrialists make any attempt to conceal their attitude. It is far from my purpose to stigmatise such an attitude as reprehensible; my responsibility is limited to elucidating the facts, leaving those concerned to draw their own inferences.

HOLIDAYS, SOCIALISM, AND PROTECTION.

HOLIDAYS are an essential part of our business life, and if enjoyed wisely and in the proper spirit, send the average man back to work in a refreshed and invigorated condition. Unfortunately, there is to-day a distinct temptation to overdo things, and then the victim of this temptation returns in a jaded frame of mind, which renders it extremely difficult to regain his grasp of current matters of importance.

We are driven to make this comment by the unfortunate experience of a correspondent, who by his own confession on Monday last motored 200 miles, played a round of golf, and wound up the day with a convivial gathering in which lobster and champagne played an all too prominent part. Late that night he remembered that early the next day he had to present an appreciation, well documented, of the recent attitude adopted by Ministers towards the fiscal question. He began with the relevant documents, and by some error has forwarded these to us instead of to the parties by whom they were required. As to the accuracy and relevance of the documents themselves, we think it best to leave our readers to form their own opinion.

The first document purports to be an extract from a speech in the House of Commons by Mr Snowden, whom our correspondent apparently imagined last Monday night to be the present Chancellor of the Exchequer. It runs as follows:—

"We ought not to contemplate any fundamental reversal of the individualist system upon which our whole economic and industrial structure was erected, and with which its interest was profoundly interwoven."

Next, he has sent us an extract from a speech by the Home Secretary. Here, also, some confusion of thought is apparent, as our correspondent is not clear whether Mr Henderson or Mr Wheatley enjoys that office. The first half of the extract also seems to be missing, but the remainder is given below:—

".....said that before the next General Election the Labour party would have to consider seriously the extension of the policy of nationalisation to include the iron and steel industries.

"When they went to the country four years ago, the Labour party pledged themselves to nationalise every suitable industry. They must consider whether the policy had succeeded or failed. There had been nationalisation in several industries. In two years the return to the workers from those industries had increased by 10 per cent., while in non-nationalised industries the return had gone down by nearly as much.

"That was the position the Government had to face. It was true that they were pledged not to bring in anything like general Socialism during this Parliament, but that question would have to be decided next year. Was the Labour party prepared to extend the policy of nationalisation? Were the great employers of the land prepared to look a step beyond their noses? It had been proved that the scheme was worth trying; the old mouldy shibboleths of the individualist school had been proved wrong. If the Labour party wanted a policy which would do something

more than they had been able to do, they would have to consider very seriously an extension of the policy of nationalisation."

Finally comes what our correspondent clearly believes to be a letter from the Prime Minister to his Chief Whip. The same confusion between the Conservative and Labour parties is apparent.

My dear Kennedy,

You have told me that there has been some confusion of thought amongst Labour members arising from condensed reports of certain recent speeches, and various tendentious articles in the unfriendly Press.

It may be well for our friends to remember that the main policy of the Government for the development of productive industry has already been laid before the House. Its boldness and originality has captured the imagination of the country, and that, no doubt, is the reason why both the Opposition Parties are trying to drag in the Socialist red herring in the vain hope of causing dissension in a party whose unity and enthusiasm arouses their envious admiration.

As to nationalisation. Nationalisation has been the law of the land since the Government first exercised control of the Post Office. It was the policy we adopted at the last General Election, and it will be continued.

We are pledged, and shall continue to be pledged, not to introduce Socialism.

A careful examination of the process of nationalisation based on the experience of the past four years may enable us to simplify certain details in the procedure. No manufacturing industry will be debarred from examination by the appointed tribunal with a view to its possible nationalisation.

Yours very sincerely, J. Ramsay Macdonald.

The moral of this episode is clear. To the plain man the distinction between nationalisation and Socialism may be as simple and obvious as that between safeguarding and Protection. But even our City readers—most of whom are utterly opposed on principle to speculation, but are not averse to an occasional risky investment—will find it difficult fully to appreciate these subtle distinctions when the mind is relaxed to enjoy the pleasures of a sunny August.

Notes of the Week.

The Work of the Session.—Amidst the political turmoils with which the fourth session closed, it is easy to lose sight of its actual achievements as recorded in the Statute Book. The main work, of course, was the Government's scheme of rating relief to productive industry, coupled with a wide plan of local government reform, which was first announced in the Budget speech. So far, the first two of the three stages of the scheme have become law. The Budget provides for the financing of rating relief mainly by means of the petrol tax, while the Rating and Valuation (Apportionment) Act provides for the division of property according to whether or not it qualifies for relief. The third stage—namely, that of local government reorganisation—is left over till next session, but meanwhile the Government have issued a White Paper containing their proposals. The purely political sphere is marked by the Franchise Act, which finally grants complete adult suffrage. The farmer's needs have been remembered in the Agricultural Credits Act, which probably goes as far as it can under existing conditions. In more commercial circles the session will be remembered for the new Companies Act and for the Acts empowering the railways to run road services under certain restrictions. Parliament has also found time to ratify most of the suggestions of the National Health Insurance Royal Commission. The chief contribution of the private member has been the Racecourse Betting Act, permitting the introduction of the totalisator. Set forth baldly as above, this list may appear to represent a small harvest, but when the time devoted to the usual routine of public finance and to such questions at home and abroad as arose during the session is taken into account, it must be conceded that Parliament has maintained a very substantial production.

Politicians on the Platform.—The close of the Parliamentary Session has been followed by the usual crop of platform speeches in the country. The Conservative speakers, for the most part, have been protesting rather suspiciously much that no general tariff is contemplated by the Government, while at the same time the burden of most of their speeches is the marvellous prosperity of the safeguarded industries and the desirability of extending it as widely as possible. The Parliamentary Secretary of the Board of Trade drew sweeping conclusions from the satisfactory conditions of certain young industries which happen also to be protected industries, and these were promptly challenged by Sir John Simon as blatant instances of the *post hoc, ergo propter hoc* fallacy. The Solicitor-General and Sir Austen Chamberlain both remained on the safe ground of rating reform, though the latter also committed himself to the startling assertion that Imperial Preference had saved the trade of this country. This news of its definite salvation is as welcome as it is surprising. At Aberystwith Mr Lloyd George accused the Government of stealing the Liberal Party's thunder at the last election. Like a motor without petrol, a Party without principles can only keep moving until it has exhausted the impetus of the General Election, and the Conservative Party, in Mr Lloyd George's view, is now dropping its stolen Liberal principles and reverting to type. The gloomiest note was struck by Mr Runciman, who expressed concern for our national credit, and attributed our heavy unemployment percentage to a high rate of interest consequent upon our failure to keep down national expenditure. Out of the week's avalanche of speeches one disappointment emerges, namely, that on the whole constructive proposals are rather conspicuous by their absence.

The Pact and the Anglo-French Naval Compromise.

There seems no doubt that the Kellogg Pact will be signed in the near future. Indeed, at the moment, there appears to be an *embarras de richesses* in the matter of would-be signatories. Mr Chicherin has publicly intimated that Russia may be willing to sign "after negotiations in regard to the contents" of the instrument; and the Marquis de Estella—no less jealous than his Russian colleague to vindicate the status of his country as a Great Power—is reported to have declared that he will be found in Paris, pen in hand, on the appointed day. Meanwhile, at least one feature in the contents of the Pact has been causing some anxiety, on closer examination, to friends of the Covenant of the League, for it has been suggested that, so far from closing the famous "gap in the Covenant," the Pact, when read together with its authoritative American, French, and British interpretations, threatens to open a second and much more formidable gap under the rubric of self-defence. The Covenant, it is argued, may not have ruled out war altogether, but at least it did rule out immediate war under any circumstances—without regard to whether the war-maker might hold that he was making war in self-defence. The Pact seems to restore to Governments the right, which the Covenant takes from them, of making war without notice if that is necessary for self-defence in their own opinion; and it is pointed out that this formula not merely covers the German invasion of Belgium in 1914, but is not at all unlike the argument which the German Government actually put forward in order to justify that act. This point requires close scrutiny; but, as we have pointed out before, the Pact is not important so much on account of its specific contents as on account of the possibility that it may create a favourable state of mind for solving the urgent concrete problems that lie beyond it. The chief of these problems is that of disarmament, and it remains to be seen what the effect of the Anglo-French naval compromise will be in the United States. The rumour persists that the French *rapprochement* towards the British point of view in regard to the classification of naval armaments has been purchased by a British *rapprochement* towards the French point of view in regard to the reckoning of reserves in the comparison of land armaments. It is even rumoured that an agreement which is nominally a compromise on technical points of general abstract principle amounts in fact to something like a concrete naval and military understanding. It is understood that a Note on the subject of the Anglo-French compromise has reached Washington

from London, and that American "official circles" are keeping their own counsel until they have had time to subject this Note to a thorough examination.

The Vatican and China.—The Vatican is the oldest surviving European Power, and though it has lost the temporal sovereignty which it once exercised over a fraction of Italy, it has gained in exchange a world-wide influence as the Roman Church has spread into all quarters of the earth. Hence the message which the Pope has just telegraphed to his Apostolic Delegate in China for promulgation there may be of some importance as a diplomatic precedent, and can hardly fail to have a far-reaching moral effect. It appears that the Pope has not only expressed his sympathy with the Chinese people and his thankfulness at the termination of the Chinese Civil War, but has renounced all special privileges for representatives of the Roman Church in China, and has signified his contentedness that the foreign missionaries and their native flocks should live under "the liberty and security of the common law." It is, indeed, already one of the established principles in the relations between the Chinese Government and Foreign Powers that Chinese nationals should not in any way escape from the lawful control of the Chinese authorities through the act of becoming converts to some Church of which the missionaries and administrators in China happen to be persons of foreign nationality. In practice, however, this principle has not been easy to maintain; for, even when the foreigners have sought to maintain it scrupulously, their Chinese converts have often gained impalpable advantages from their association with ecclesiastics enjoying the potent privileges of extra-territoriality; and until recently there has been no suggestion that the foreign missionaries should renounce for themselves those advantages which they have consented not to demand for their Chinese flocks. Recently, however, there has been a marked change, on this matter, in the attitude of the Protestant missionaries, among whom the Americans and the British are the most conspicuous. They have been unwilling to see their religious work imperilled by becoming involved in the political conflict between the Chinese Nationalist Movement and the Treaty Powers; and they have felt it incongruous that they should be preaching the Gospel with the backing of gunboats. In the noble emulation of the Protestant and Catholic Churches in the mission field, the Catholic Church seems now to have determined not to be left behind; and in China the Catholic Church has a great past. The first Catholic Bishop appointed to Peking reached his See in the 14th century, when the overland route from the West to the Far East was opened for one brief generation by the establishment of the Eurasian Mongol Empire. In the 16th and 17th centuries, again, when a new route from Europe to China had been opened by sea, a second attempt was made to convert China to the Catholic Faith. Under the lead of the great Matteo Ricci, the Jesuit missionaries mastered the learning of China, imparted to the Chinese the learning of the West, and adapted Christianity to the Chinese classical culture as, long before, St Paul had adapted it to Hellenism. Towards the close of the 17th century they seemed on the eve of converting the Chinese Court, when their work was undone by the insistence of the Vatican that they should repudiate the compromises which they had made with the Chinese spirit. Is the Vatican, which has a long memory, mindful now of this blunder committed two centuries ago, and is its present action a symptom that it has resolved not to let a great opportunity in China slip for the second time?

Monetary Stabilisation.—While it is natural that no definite statement should be issued, there was a report current in the money market this week that the Bank of England had convened a meeting of discount brokers to stabilise the market rate on three months' bills at $\frac{1}{2}$ per cent. Such a development would hardly be surprising. After six months of comparative freedom, the market has since the turn of the half-year been gradually falling into the clutches of the Bank, and the rising trend of New York rates and the recent tendency for gold to be ex-

ported from London, rather than imported, have both materially aided the Bank in its efforts to regain control. As regards this new move itself, there is much to be said on both sides. It suggests that the Bank means to keep its own rate at $\frac{1}{2}$ per cent. for the rest of the year if it possibly can, for the stabilisation of the market rate is clearly designed as a precautionary measure to obviate the need for a rise in Bank rate. Moreover, if the Bank thought there were any serious risk of a rise in Bank rate, to summon a meeting to stabilise market rate would simply be a waste of time. On the other hand, that section of manufacturers and traders who have managed to convince themselves that the Bank of England is their mortal enemy will think to find in this move fresh confirmation of their belief, and this may psychologically have an unfavourable effect upon the chances of an autumn trade revival. A fair reply to this argument is that, if so, traders will only have themselves to blame. The Bank cannot now be charged with sterilising gold and restricting credit as it was a few months ago, for now that gold is leaving the country the boot is rapidly being shifted to the other leg. The fact that we are beginning to lose part of our recent gains of gold means that the Bank can fairly claim that last summer it only acted with common prudence, and that if we get through the autumn without a 5 per cent. Bank rate, it will be due to the Bank's foresight. In short, it appears that if the Bank rate had been reduced to 4 per cent. in June, it would have had to be raised to 5 per cent. in October. Stabilisation may have its disadvantages, including a certain deadening effect, but at least it has the merit of letting people know where they stand.

The Cable-Wireless Merger.—The speech with which Mr Baker opened the discussion of this subject in the House of Commons was regrettable in tone and in substance. Distinguished City men at whom Mr Baker endeavoured to throw mud are perfectly capable of defending themselves if they think it worth while to reply. It is a perfectly fair question to ask how it happened that responsible financiers were advising Marconi shareholders to accept the writing down of their shares at a moment when the company had a revolutionary invention in preparation which in the event entirely changed its financial standing in the course of a few months. But that is a very different matter to scattering charges and innuendoes of corruption so widely that they lose all credibility. From the public point of view the pity of Mr Baker's tirade is that it puts obstacles in the way of those who would wish to subject all proposals respecting public utilities to fair and constructive criticism. It is unfortunate that the Labour Party stands for nationalisation in the operation of all public utilities in such a way as to make nationalisation itself the goal rather than the best means of serving the public. Imperial communications do call for representation of public interests, since so much is at stake in the cultivation of cheap communications in which the public have confidence. It is a legitimate subject for discussion whether or not the communications company within the Merger really fulfils this purpose, and, in particular, whether the Advisory Committee is the best means by which the public interest can be safeguarded not only as regards increases but as regards just reductions in tariff. There are other developments of public utilities in the future for which an examination of the Merger might be salutary. But if the increasing complexity of these questions is to be made the instrument of attack upon all types of enterprise except that of full state management, constructive criticism will be impossible.

American Cotton Crop Surprise.—In cotton trade circles on Wednesday last, writes our Manchester correspondent, there was great interest in the publication of the first estimate of the American cotton crop for 1928-29, by the Department of Commerce at Washington. The figures were a surprise, and much less than anticipated. According to private advices it was expected that the estimate of the yield would be between 14,750,000 bales and 15,000,000 bales. The official forecast, however, was only 14,291,000 bales, the condition figure being given as 67.9 per cent., against 60.5 per cent. same time last year. In view of the excellent private weather

reports during the last few weeks, traders were surprised that the yield per acre is given as 152.2 lbs., as compared with 154.5 lbs. for last season's growth. It was also announced that the amount of cotton ginned up to August 1st was 87,888 bales, against 162,678 bales same time in 1927. The statistics were, of course, interpreted in trading circles as bullish, and the Liverpool futures market responded by advancing about 60 points (100 points to 1d). At the rise, however, there was some selling, which caused a decline of about 20 points. The market was irregular and nervous. Lancashire spinners and manufacturers are confused by the present situation. It is recognised, however, that since August 1st, when the Government forecast was compiled, the weather advices from the belt have been very favourable, and undoubtedly the plants have made good progress. Unless there is an adverse change in climatic conditions at an early date, there is every likelihood of the yield being much larger than at present indicated by the Government. A factor of importance at the present time is the declining consumption throughout the world, and whereas during the past season ended July 31st the world consumption is estimated at about 15,250,000 bales, reliable authorities are of opinion that during the next twelve months spinners' requirements will not be more than 14,000,000 bales.

Shipping Freight Index Number.—As measured by our Index Number, the average level of whole-cargo shipping freights last month was 2.66 per cent. higher than in June—a movement which suggests that the usual autumnal recovery has begun this year somewhat earlier than normally. The July figure, 109.04, compares with 118.21 a year ago, and 110.41 in July, 1925. The movements of the various groups in the index are summarised as under:—

Date.	European Waters.	North America.	South America.	India.	Far East and Pacific.	Australia.	Total.
Basia (Average, 1898-1913).....	100	100	100	100	100	100	100
Average, 1913.....	110.03	113.09	123.37	106.29	117.38	127.89	116.34
February, 1920.....	814.31	529.89	757.52	744.81	587.02	712.16	690.95
December, 1920.....	268.90	277.17	244.10	256.79	286.72	347.18	280.14
December, 1921.....	160.06	164.07	163.72	144.43	141.25	166.47	156.67
December, 1922.....	137.09	135.15	129.19	122.61	136.08	159.34	136.57
December, 1923.....	134.03	132.72	120.09	124.35	125.07	144.21	130.08
December, 1924.....	117.44	129.18	119.45	119.76	129.29	161.13	129.38
December, 1925.....	116.98	121.57	117.03	110.05	110.10	154.90	121.77
December, 1926.....	139.71	156.10	145.93	132.85	129.22	179.82	147.27
December, 1927.....	105.57	116.16	113.58	114.16	124.93	139.76	119.03
January, 1928.....	106.69	106.94	111.36	113.62	121.43	127.30	114.56
February, 1928.....	105.55	106.40	106.16	112.36	114.05	113.95	109.74
March, 1928.....	101.67	104.77	102.81	106.68	115.12	119.29	108.39
April, 1928.....	101.57	103.68	106.61	105.85	116.18	126.41	110.05
May, 1928.....	101.47	100.70	105.95	110.05	111.94	124.63	109.12
June, 1928.....	99.58	100.43	100.77	103.96	108.78	123.74	106.21
July, 1928.....	103.42	103.68	105.66	99.37	110.34	131.75	109.04

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

	Index No.	Inc. or Dec. Points.		Index No.	Inc. or Dec. Points.
Home trade.....	85.04	+ 4.32	S. America—outwards ..	80.73	+ 3.97
Bay—outwards.....	112.95	+ 3.67	" homewards.....	139.53	+ 5.81
homewards.....	125.81	+ 6.16	India—outwards.....	101.05	+ 2.10
Mediterranean—outwards ..	114.83	+ 4.11	homewards.....	97.70	+ 1.23
homewards.....	97.81	+ 0.06	Far East, &c.....	110.34	+ 1.56
North America.....	103.68	+ 3.25	Australia.....	131.75	+ 8.01

As regards homeward routes, business showed no great expansion, but demand for space to load grain both from Canada and the Argentina continued steady, and quotations from Australia for future loading rose appreciably. Rates from India, on the other hand, were dull. Outward coal freights were firmer, as the result partly of the laying up of a considerable quantity of tonnage, and partly of the absorption of a number of vessels in transport of grain to Russian ports. The relation of the Index to the average for 1913 is shown in the following table, the year 1926, in whose case our Index Number was distorted by the absence of British coal exports, being

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omitted as unrepresentative of the true trend of freights:—

Month.	1924.	1925.	1927.	1928.
January.....	117.11	114.49	118.59	98.47
February.....	123.78	115.96	120.54	94.33
March.....	122.09	106.63	118.58	93.17
April.....	117.22	104.24	111.06	94.59
May.....	114.27	98.23	111.41	93.79
June.....	108.62	91.74	106.54	91.29
July.....	103.75	94.90	101.61	93.73
August.....	104.43	95.87	105.51	..
September.....	110.50	98.19	107.51	..
October.....	115.55	99.49	105.78	..
November.....	112.76	102.23	106.27	..
December.....	111.21	104.67	102.31	..
Mean for year.....	113.44	102.22	109.64	..

Although the present figure of our Index Number points to a level of freights extremely low when compared with other prices, the tone of the market at the end of July was healthier than for some months.

The Outlook in New Zealand.—At the recent annual meeting of the Bank of New Zealand, a report of which will be found on a later page of this issue, the chairman, Sir George Elliott, struck a note of definite optimism concerning the economic outlook of that Dominion. "In view of the fact," he said, "that we in New Zealand depend for our material prosperity on our export trade in primary products; taking into consideration the prices those primary products are now fetching on the world's market, and seem likely to continue fetching; and with the knowledge of the exceedingly satisfactory trade balance disclosed by the recent Governmental figures for the year ended March last, may I assert that he must be a pessimist indeed who feels it necessary to take a gloomy view of the position of the country." Sir George's speech contains interesting statistics relating to production and export of wool and frozen meat and trade generally; while a long passage was devoted to the question of agricultural credit. Speaking of the monetary outlook, Sir George ranged himself with those who prophesy that "unless something unforeseen happens.....interest rates will have a downward tendency in the near future."

Trading with Finland.—Great Britain takes 40 per cent. of Finland's exports, and is that young Republic's best customer, while the direct British exports to Finland represent only 12 per cent. of that country's imports. Through the kind offices of Captain Norrgren, Consul-General for Finland, and the Anglo-Finnish Section of the London Chamber of Commerce, of which Mr Charles Gane, J.P., immediate past president of the Timber Trade Federation of the United Kingdom, is chairman, as well as others, the Finnish Central Chamber of Commerce sent an official invitation to the London Chamber of Commerce to arrange for a delegation to visit Finland to discuss means and methods of increasing British trade with Finland. The delegation, of which Mr Charles Gane, J.P., was chairman, represented the following industries:—Electrical apparatus; wire, wire ropes and wire netting; agricultural machinery of all kinds; engineering and electrical goods; paints, enamels and varnishes; rolled iron, steel and steel structures; saws; and textiles. Forty representatives of Finnish commercial interests were present at the conference, at which Dr Ramsey, president of the Helsingfors Chamber of Commerce, and managing director of the Finnish Steamship Company, presided. He ex-

pressed the hope that the discussion of matters of mutual trade interest would lead to an increase in the volume of British exports to Finland. He knew that Finnish people preferred goods of high quality, in which Great Britain was pre-eminent, but that British goods were not more favoured did not lie entirely with the buyers. There were fewer commercial travellers from Great Britain compared with competitive countries, and a similar position was disclosed in the advertisements in Finland's daily and commercial Press. Of late years also it had been almost impossible to make arrangements for young Finns to get permission to stay in England to learn the language. Mr. Gane said that a British principal visiting England had to pay the commercial travellers' tax, although the business he secured would go through the books of his agent, so that he was really subject to double taxation. Arrangements were being made by the London Chamber of Commerce whereby the Chamber would be prepared to intervene with the British authorities where suitable Finnish young men found difficulty in obtaining permits, while later in the proceedings it was stated that, if the correct formalities were complied with, there were no difficulties in obtaining the necessary permits for Finnish young men wishing to study or take up voluntary work in England. Mr. T. H. Jones, the Manchester and Bradford Chambers of Commerce delegate, referred to the high Finnish tariffs, and remarked that they were never sure that these would not be raised against them. It was agreed to send a Finnish delegation to England to discuss further matters of mutual interest. Finland supplies more building timbers to England than any other country, and the relations between Finnish and British commercial men in that trade are of the most friendly character. This in itself is a first great step in favour of closer trade relations, and we feel sure that with the undoubtedly good feeling already existing on both sides it can be extended to other departments of Anglo-Finnish trade to the mutual benefit of the two countries.

Britain's Native Timber Famine.—Arboricultural scientists insist on telling us that we are rapidly approaching a world's timber famine. Although many of us—including the majority of those having practical experience of the world's timber trade—view these assertions as extreme, we all, perforce, must admit that there is a native timber famine in Great Britain. The "Report on the Census of Woodlands and Census of Production of Home-grown Timber, 1924," just issued by His Majesty's Stationery Office at 1s 9d net, supplements much already known concerning our inadequate forest resources. It tells us that at the present time, in consequence of the war fellings, "which swept away the bulk of the best coniferous timber" (i.e., general construction softwoods), "the best ash and much good oak," reserves of mature coniferous timbers are very low, equivalent to not more than six months' consumption, and that the younger crops are on the same scale. The reserves of mature hardwoods (mainly oak, used for heavy construction work and in the furniture and other industries, which were not drawn on to the same extent during the war) are stated to be "considerable," although the average quality is not good, and there is a great lack of hardwood plantations. "Oak planting in particular has gone out of fashion in favour of conifers. When the existing mature and semi-mature oak woods have disappeared, as they are steadily doing, the supply of home-grown oak will become negligible." It makes us wonder what Queen Elizabeth, Francis Drake, Walter Raleigh and Richard Grenville, to say nothing of England's enemies in their time, would have thought about it! To return to the report. The total area which is now, or was in recent years, woodland of one kind or another amounted in 1924 to 2,958,672 acres, equivalent to only 5.3 per cent. of the total land area of Great Britain. The "high forest" (softwoods, 671,841 acres; hardwoods, 443,354 acres; and mixed, 301,695 acres) represents 47.9 per cent. of our total resources; coppice-with-standards and coppice, 17.9 per cent.; scrub, 11.2 per cent.; felled or devastated, 16.1 per cent.; making a total of economic or potentially productive timber of 93.1 per cent., the balance not being considered a business proposition. The economic or potentially productive woodlands are estimated to contain

in all about 2,262 million cubic feet of timber and pitwood. It will be remembered how well Britain's forests provided supplies of wood to the nation (including the coal mines) during the U-boat menace, and the whole course of the war for "dug-outs" and for other military purposes on the Western Front. Many of the trees from which those woods were obtained were planted during the last stages of, or immediately after, the close of the Napoleonic wars, when there was a great spurt in afforestation. Clearly another spurt is due now. We do not wish to see afforestation made a "stunt" of wild-cat schemes between political parties, perhaps entailing great waste of the nation's money, but a calm and serious attempt is due to get back to our pre-war timber wealth before going further. Softwood trees should continue to be the first consideration, for they are of quicker growth than the hardwood species, are more adaptable for colliery work, whilst "at a pinch" they could act as a good substitute for oak, ash and other hardwoods.

The Oilseed Crushing Industry.—An improvement in the oilseed crushing and oil-refining industry, which began towards the close of last year, has been sustained. Output has increased, markets have been stable, and trading conditions generally fairly good. Foreign competition, though it is still felt, has not been quite so severe, this country sharing with others in Northern Europe engaged in the industry the better demand for the products. Especially has this been the case in regard to oilcake for cattle feeding. This having been for some time past the dominant factor on the Continent—a factor which has again come into play in consequence of the great heat having prevented the growth of the pastures and compelled stock bearers to resort to other feeding stuffs, among them oilcakes and meals. This in its turn has increased the supply of vegetable oils to a point in excess of demand, though linseed oil, by reason of its cheapness in relation to other seed oils, has been absorbed in larger quantities by the soap-making and other technical industries. The tendency of vegetable oil values generally has thus been downward, and producers have had some difficulty in maintaining them at a profitable level. The gross imports of oilseeds, nuts and kernels into the United Kingdom in the circumstances show a marked advance, the total receipts for the half-year ended June 30th being 875,880 tons, an increase of 164,442 tons over the corresponding period of last year, and equal to 23 per cent. Linseed, cottonseed, soya beans, rapeseed, and ground nuts were all imported in heavier quantities, those of soya beans and rapeseed being coincident with reduced imports of the crude oils from the Far East. There was a falling-off in the imports of copra and palm kernels amounting together to 19,000 tons, though this was considerably more than counterbalanced by an advance of 54,000 tons in ground nuts. Nuts and kernels in the lump at 195,000 tons were, however, quite up to average, but it should be added that re-exports amounted to 10,200 tons, against 12,000 tons a year ago. During the half-year the export trade showed some expansion, the total of refined oil sent abroad being 6,737 tons and of unrefined 47,608 tons, as against 9,735 tons and 36,639 tons respectively in the first six months of 1927. Cotton oil is the major item under the head of "refined," and the loss was entirely due to the reduced quantity exported. Of the exports of "unrefined" linseed oil, palm kernel oil, rape oil, ground nut oil, and castor oil all contributed increases, while soya oil was only slightly down. A specially interesting feature was the expansion of the shipments of oilcakes and meals, which at 74,052 tons were over 32,000 tons greater. Imports of these commodities, however, continued on a large scale, though the total was smaller by 239,079 tons, against 268,797 tons, thus assisting to provide the farmer with one of his chief primary materials. Imports of vegetable oils from abroad during the six months gave a total of 101,775 tons, refined and unrefined, a decrease of 9,292 tons. More than half the receipts consisted of coconut, palm and olive oils, which, of course, are not produced in this country, but find their way into the refineries and so afford additional supplies for the margarine and soap trades. The total value of the half-year's imports of oilseeds, nuts, and kernels, oils and oilcakes was no less a sum than £18,511,681, as

against £16,192,977. The British exports of oils and oilcakes had a value of £2,984,245, against £2,322,189; and re-exports of all kinds, principally nuts and kernels, £455,025, against £475,279.

Coke Plants and Gas.—Our Paris correspondent writes:—The French metallurgical coke plants, which are now producing 50 per cent. more than before the war, have recently tapped an entirely new source of revenue by utilising for public lighting and heating purposes the gas thrown off during coke-making which has been for many years treated as valueless and evacuated into the air. The whole industrial area of Lille, Roubaix, Tourcoing and Douai, the French Lancashire, is now supplied with illuminating gas direct from the colliery coke plants in the Northern coalfield. The Douai gasworks, for instance, are supplied with ready manufactured gas from the coke plants of the Compagnie des Mines de Bethune, and has thus been able to reduce its price to consumers from 75c to 54c per cubic metre. Gas produced by coke plants can be supplied to municipal gas companies direct from the coke ovens at rates considerably lower than that at which the latter can manufacture it by the usual retort system. A modern coke plant employing 24 men can produce 100,000 cubic metres a day, whereas 200 men would be required to produce the same quantity by a gasworks using the ordinary retort system. The prime cost of 1,000 calories coming direct from a colliery coke plant is reputed to be 4.15 centimes, as against 6.66 centimes for the same quantity produced by the retort system (both taken at the gasometer). The system is shortly to be extended to the coke plants in the Eastern and Midland coalfields. The method has been in operation for some years in the Ruhr, Belgium and the United States, but is comparatively new to France. French metallurgical coke production is still far below the requirements of this country's rapidly growing industry, and this fresh market for a hitherto wasted residual will substantially foster increased output.

Agricultural Banks in Latin America.—The removal of General Obregón is not likely, writes a correspondent, to interfere with the project, encouraged and supported by him, for the establishment of a chain of agricultural banks for the farming interests of the Republic. The prime initiator of the movement had been General Calles, who in succeeding the murdered president-elect may be depended upon to continue his policy. The co-operative credit system in the field of agriculture has already attained considerable success. The Mexican system is based upon that of the German Raiffeisen banks, upon which also the Irish system has been modelled. That is to say, a certain number of persons, believed to be honest as well as industrious, are enrolled; their liability for working capital is individual, collective and unlimited; and there are neither shares nor dividends, all profits—if any—being devoted to the building up of reserve funds. Loans are made only for productive purposes, and there are no salaried officials. For this last reason the Mexicans did not, for a long time, look with favour upon the movement; Government "persuasion," however, induced them to take a different view, and to-day there are nine agricultural banks—two have been launched within the past few weeks—carrying on operations. One is being conducted upon a basis of compromise between the Raiffeisen system (which permits, as mentioned, of no profit distribution among the members), and that of Schulze-Delitzsch, forming the model of English town co-operative banks (and which recognises a dividend payment and a salary for the committee and officials). The two latest additions to the Mexican agricultural banks rather resemble the Haas system, by which the capital is raised by shares and each share carries with it a guarantee for an equal sum. In all cases the majority—and in some cases the whole—of the capital with which the Mexican banks began operations was subscribed by the farmers themselves. A bank in Chihuahua commenced business with 900,000 pesos (£90,000), of which 840,000 pesos (£84,000) were subscribed by small landholders, and the balance by the Federal Government. Before the application of the agrarian laws the Mexican *peons* were earning little more than between 15 and 50 centavos (say, from

Travel and Money

The far too common method—or lack of method—of carrying cash in bulk when abroad, is wholly unsatisfactory. Travellers are invited to consider the arguments of two leaflets issued by the Westminster Bank, *Points before Travelling*, and *Safeguards for the Traveller*, which will be gladly sent by the Secretary of the Bank on application.

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fourpence to one shilling per diem. These same *peons* are now the registered proprietors of their farms. So successful has been considered the institution of agricultural banks in Mexico, that General Juan Vicente Gómez, the astute and experienced President of Venezuela, and himself a highly prosperous landowner and cultivator, has recommended the establishment of an experimental institution of this kind at Caracas, and sanctioned the raising of a capital of 30,000,000 bolivars to finance it, as well as a labourers' bank with a capital of 6,000,000 bolivars (1 bolivar = 9½d).

Oversea Correspondence.

UNITED STATES.—SHARE MARKET RECOVERY—BANKING POSITION AND POLICY—BUSINESS CONDITIONS—MOTORS AND STEEL.

(FROM OUR CORRESPONDENT.)

NEW YORK, August 11.

DURING the past week the share market has continued the recovery that started early in July, and has now regained approximately two-thirds of the ground lost in the June reaction. Yesterday the upswing continued, despite a rise in call money to 8 per cent. During the early part of this recovery the market presented a sold-out appearance. The volume of business has increased somewhat, but failed, until to-day, to rise above the two millions share level, and generally kept below 1,500,000. Accordingly, although prices have advanced substantially from the recent low levels, speculative activity has kept well below the volume that caused so many misgivings during the spring. Consistent with the smaller activity, brokers' loans have continued to decline (up to this week at least), and on July 25th aggregated, according to the Federal Reserve Bank's tabulation, \$4,184,000,000. While this total is \$1,043,000,000 larger than the corresponding one for last year, it is \$379,000,000 smaller than the peak made on June 6th. As for the Federal Reserve banks themselves, last week's statements revealed a further appreciable strengthening of position, reserves gaining slightly and the total volume of credit extended shrinking slightly. However, this volume of credit, while about \$218,000,000 below the peak of July 3rd, is still nearly \$450,000,000 larger than that outstanding a year ago. Meanwhile, the Reserve System continues gradually to bring discount rates generally to the 5 per cent. level, the Cleveland Bank being the eighth of the 12 regional banks to come to that figure. At the moment, the Reserve banks seem rather passive as far as open-market operations are concerned.

Plainly, the banking position furnishes a background

for the continuance of firm money. The member banks are still borrowing heavily from the Reserve System and the liquidation of speculative borrowing has been moderate. A sharp, short liquidation in June has been followed by little further pressure of the same sort. The course of rates during the autumn will depend on events in the share market and on the policy of the Reserve authorities. Plainly, these two factors will interact. Quite possibly the Reserve authorities are not so much interested in whether prices advance on the Stock Exchange as in the question of whether credit is absorbed by speculative operations. They might view with equanimity an advance such as has taken place during July, provided speculative borrowing declined further, or even if it failed to increase. Under such circumstances they probably would feel justified in supplying additional credit to finance autumn business without further penalty in rates. The danger is that a rising market might attract fresh public speculation on a large scale, and so result in new gains in brokers' loans. Such a result would almost certainly force the Federal Reserve authorities to stand firm on a hard-money policy and so bring higher rates in the money market.

Business news remains good, and the share market apparently has little to fear from that direction. Steel production is increasing slightly after having shown less than the usual summer seasonal slump. The automobile manufacturers, after having finished an excellent half-year's business, are looking forward optimistically to the second half-year. Ford has been unable to lift his production above 3,000 a day, and his competitors now seem to feel confident that his difficulties with assembly assure them at least another six months of prosperity. Building construction continues to run at record levels, and railway car loadings are above those of a year ago. Altogether one seems justified in concluding that a new upward business cycle, that began early this year, is still running strongly without any signs of weakening during autumn. Earnings also bulk well, with the railways recovering their position of a year ago, and with industrial and public utility enterprises generally surpassing last year's results. The General Motors Corporation's results for the second quarter of the year and for the first six months set new high records. For the quarter net profits of \$91,799,398, compared with \$76,698,799 in the previous year, for the half-year the comparable figures are \$161,267,974 and \$129,250,207. Mr Sloan, president of the corporation, added that he expects the earnings for the year to reach \$325,000,000. For the six months the results are equivalent to \$9 a share on the common stock. Holdings of cash and of United States and other marketable securities set a new high record at \$264,383,668. The corporation's dealers sold 1,062,733 cars, as against 840,481 for the corresponding period of 1927.

The United States Steel Corporation also enjoyed a good second quarter, net profits amounting to \$46,932,986, or \$2.75 a share, as against \$46,040,460 for the second quarter of last year. For the six months earnings were equivalent to \$4.86 a share, against dividend requirements of \$3.50. Earnings were about \$6,000,000 larger in the second than in the first quarter, despite the fact that production fell off moderately. Higher realised prices were responsible for the gain. The gain was maintained during the quarter, May being the poorest month in earnings. As some further improvement in realised prices is probable and as a good autumn business seems assured, the corporation's yearly dividend should be covered by a comfortable margin.

FRANCE.—FLOATING DEBT PROBLEMS—CAISSE D'AMORTISSEMENT—BANK RETURN—COAL PRODUCTION—EMPLOYMENT.

(FROM OUR CORRESPONDENT.)

PARIS, August 7.

THE preliminary portion of the work of the Caisse d'Amortissement may be regarded as having come to an end with the accomplishment of stabilisation, and henceforward the institution will be able to devote itself almost entirely to its real task of reducing the public debt. Its principal objective since it came into practical existence on October 1, 1926, has been to rearrange the incidence of the floating debt in such a manner as to render im-

possible any renewed demands in mass for repayment at sight of floating debt bonds, and this objective has been attained with complete success.

On October 1, 1926, there were in circulation 46,855,000,000 of National Defence Bonds and 1,312,000,000 of Treasury Bonds, which were liable to be presented for repayment at the rate of between 7,000 and 8,000 millions per month. The vast majority of these bonds were 12-months' descriptions, and the rest of six-, three-, and one-month. These have now been reduced to 33,320,000,000. The whole of the 1,312 millions of Treasury Bonds have been extinguished; 5,308 millions of Defence Bonds were either exchanged into new Rentes in connection with the last loan or withdrawn from circulation by the Caisse, and large numbers of others have been paid off in the ordinary way. At the present moment the floating debt consists solely of two-year Defence Bonds, bearing interest at 4 per cent., instead of the 6 per cent. that ruled in October, 1926, and not one of these will mature for payment before January 1st next. It is estimated that the average maturities of Defence Bonds, which amounted to between 7,000 and 8,000 millions a month in 1926, will be equivalent, as from January 1st, to a monthly total ranging from 1,000 to 3,000,000,000.

Under the new law, it will be recalled, the legally authorised maximum amount of floating debt in existence must be reduced every year by the equivalent of the total actually extinguished during the previous twelve months. The present legal maximum is 38,268,000,000, or, taking into account the 6 per cent. margin of tolerance allowed, 40,564,000,000. The total bonds converted in connection with the last loan operation—by which the next lowering of the legal maximum must be gauged—amounted to 2,458 millions, to which must be added some 750,000,000 of matured bonds not yet presented for payment, making a gross total of about 3,200,000,000. The new legal maximum, therefore, will be 35,000,000,000 net (in round figures), or, with the margin of 6 per cent., a trifle over 37,000,000,000. The fact that the total actually in circulation at present is only 33,320 millions is partly due to the discounting by the Caisse of 2,850,000,000 of these bonds (and their consequent withdrawal from circulation), for the purpose of furnishing the Treasury, at the moment of stabilisation, with cash to pay off the private "sight" deposits still in its coffers. Thanks to this discounting operation the Caisse will not this year be compelled, in order to avoid exceeding the legal maximum issue of bonds, to suspend further issues of them, as it had to do last December. As it is, Defence Bonds are at present being absorbed by the public at the rate of 380,000,000 a month. If this rate of absorption continues till the end of the year, the total in circulation when the 1929 maximum comes into operation should be still something like 1,500 millions below the new legal limit. The absence of maturities of any kind during the rest of the current year will enable the Caisse to constitute sufficient reserves, as it did last year, to meet its coming disbursements without difficulty.

By continuing its present policy of limiting new issues of bonds to a total appreciably below the amount extinguished at maturity, the Caisse will obviously render the progressive extinction of the whole issue merely a matter of time. The situation of the floating debt is now regarded as sufficiently stable to permit the Caisse in the near future to extend its extinction operations to other categories of the debt, and it is probable that this portion of its programme will take the form of utilising a part of the revenue at its disposal for the purpose of buying in Rentes and other State issues through the Bourse. This policy would not only give useful support to the Rente market, but would prepare the way for the conversion operations which will become operable during 1931 in regard to several of the war and post-war issues.

The first annual report of the Caisse d'Amortissement shows that during its first 15 months of existence (October 1, 1926, to December 31, 1927) its total revenue was 6,754,469,254f, but of this only 3,404,623,973f was actually available for debt extinction. The tobacco monopoly, for instance, showed gross receipts amounting to 4,725,143,994f, of which the cost of exploitation and other expenditure absorbed 1,010 millions. The bulk of the resulting net revenue of 3,714 millions was applied,

according to the priority conditions imposed by the law, to meeting the interest on the Defence Bonds and of those securities into which some of them were transformed on conversion, so that the Caisse received from this source only 364,956,000f for direct debt extinction purposes. The greater part of the revenue applied to debt extinction came from those portions of the succession and death duties which are now diverted to this service, and which during the 15 months furnished 1,941½ millions out of the total available. The gross yield from the tobacco monopoly is now increasing, and is expected to exceed 4,000,000,000f a year henceforward if the present rate of consumption continues.

Last Thursday's Bank statement, which shows the situation down to July 27th, records a further increase of 256 millions in the gold stock, which is returned as totalling 29,918 millions, or practically 1,000 millions more than at the end of June. This increase has not been due solely to gold purchases in America, as an appreciable proportion represents demonetised gold currency bought over the counter. The rate at which this long-hidden precious metal is now coming in shows that demonetisation has proved an effective argument with "hoarders," over whom appeals on the ground of patriotism had practically no influence. These purchases have been suspended until September 3rd, owing to reorganisation needs, but evidence has already been given that the amount of hoarded gold coin in France is much larger than even experts imagined.

The most striking feature of the statement is the evidence it affords of the remarkably prosperous condition of the Treasury, which during the week increased its balance by a further 617 millions, bringing its available funds up to 7,835 millions, or nearly 2,000 millions more than the level of three weeks previously. The situation of the Treasury is all the more notable from the fact that its available increased resources are due solely to the yield from ordinary revenue, as no bonds are now being issued and nothing is being received in the form of private deposit accounts. Next week's statement may be expected to show a drop in the Treasury balance, as it will comprise the fairly substantial amount that had to be withdrawn to meet the customary end-of-the-month payments. The note circulation is returned at 60,435,581,855f, an increase of 569 millions on the week, due to the heavy increase in bills discounted. The Bank's sight engagements are returned at 75,659 millions, an increase of 1,400 millions, the proportion of cover being now 39.54 per cent. (as against the legal minimum of 35 per cent.).

Coal production figures for June record a total output of 4,463,289 tons during 26 working days, as against 4,248,332 tons during 25 working days in May. The daily average output, with a total labour force of 299,758 units, was 171,665 tons, as against 170,263 tons in January, 1928, with 316,130 men; 185,179 tons in January, 1927, with 333,151 men; and 136,147 tons in 1913, with 203,208 men. The pre-war French mines are now yielding 17,750 tons per working day more than in 1913, plus an additional 17,750 tons per day from the Lorraine collieries acquired as the result of the war. The output of metallurgical coke during June was 360,141 tons, or 120,000 tons more than the average monthly total in 1913.

The labour market continues satisfactory, the number of unemployed in receipt of out-of-work pay throughout the country being returned on July 28th as 1,095 (of whom 671 were in the Paris area), as against 1,162 the previous week. The categories principally affected are unskilled labourers, shop and office assistants, and metalworkers, each of which accounts for about 10 per cent. of the total.

GERMANY.—CREDIT FINANCES—INDUSTRY—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, August 7.

THE money market has lately been easy, as, contrary to the rule, interest rates, both for day and month loans, began to fall immediately after the turn of the month. Yesterday and to-day, despite, it is reported, large repayments of Reichsbank advances, day money was offered in excess of the demand. Month loans have fallen by ½ per cent. since August 1st, and to-day is quoted 7½-8½ per cent. The private discount rate was reduced on

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Aug. 2nd, for both long and short date bills, from 6½ to 6¾, and offers were small. Contango credits are 8½-8¾ per cent. The Reichsbank's return for July 31st may be considered normal. Discounts increased by 433 million marks, as against 646 million marks in the last week of June (which, however, included the additional quarterly demand). Advances rose by 43 millions, as against 111 millions in the last week of June. Circulation, which increased by 582 million marks to 4,569 millions, is below the end-June figure of 4,674 millions (including Renten-notes 5,130, as against 5,252 millions). Deposits are a little above the end of June level. The gold reserve shows an increase in the week of 50,847,000 marks. The purchases of English gold, concerning which the Reichsbank has said nothing, are understood to be not officially desired, especially when they come from Anglo-German arbitrage deals in gold directly from the Bank of England. The Reichsbank, however, cannot refuse to buy gold at the statutory price. The Bank's gold reserve has this year increased from 1,865 million marks to 2,199½ million marks, and the legal cover exchange reserve has fallen from 519 to 183 millions. The Reichsbank President some years ago declared himself in principle in favour of gradually converting all the legal exchange reserve into gold, according to his view, being the proper form of reserve, but that was before the days of international Central Bank solidarity. The story published in England that the Reichsbank desires to accumulate gold in preparation for putting into force Article 31 of the Bank Law, which prescribes the unqualified convertibility of notes, is unfounded, and is not in accord with the Bank Law, which prescribes that even after Article 31 comes into force the Bank may redeem its notes at its own option either in gold or foreign exchange. Under no provision of the Law, which embodies the gold exchange, not the gold, standard, can payment of gold ever become obligatory.

The discussion of the Geneva Conference recommendations in connection with proposed increases of import duties in other countries has begun to turn around the financial result for Germany of a reduced tariff. The Customs yields in the past four financial years were:—1924, 356 million marks; 1925, 590 million marks; 1926, 940 million marks; and 1927, 1,251 million marks, being in the last-mentioned year 14.7 per cent. of all taxation revenue as against approximately 5 per cent. in 1924. Agrarian and food duties last year yielded about 904 millions. All these import duties are specific, but the *ad valorem* incidence of many of them has been officially recalculated. It varies greatly from 53 per cent. for mineral oil products to only 2 per cent. for woollen yarn. On cotton yarn the duty works out at 7 per cent. and on cotton cloth 17 per cent. The rate for machinery is put at 21 per cent., for iron wares 14 per cent., pottery and glass 19 per cent. When the Minor Tariff was projected in 1925 it was officially justified on the ground that owing to the rise in prices the *ad valorem* incidence of the Tariff of 1902 had heavily fallen and it was declared that the new Tariff imposed duties averaging only 10 per cent. *ad valorem* on the majority of finished goods. The new official analysis (which, however, is imperfect) points to higher rates.

Of late certain branches which desire better protection have been making capital of the loss of revenue which would result from reduction of the minor tariff rates. The Customs yield increased after this tariff came into force, independently of fluctuations in the volume of imports.

There is a considerable and growing agitation for higher duties on footwear, certain textiles, certain machines (mainly supplied by the United States), benzol, and motor-cars.

The wholesale prices index for August 1st is 141.7. Bankruptcies in July numbered 663, as against 705 in June; and in the first half of 1928 4,263, as against 2,734 in the corresponding half of 1927. In the first half of July the number of persons drawing unemployment pay fell from 610,700 to 579,800, and the number drawing "crisis relief" fell by 23,900. The total number of unemployed is larger than at the same date of last year. The monthly reports on industry in July agree that the downward movement slowly continued, the chief declines being in manufactured goods for consumption and in the iron and machinery branches. The chemicals branch was, on the whole, active. In the textiles branches conditions became worse, and in artificial silk there is now over-production, and prices have fallen. Ruhr coal daily output remains almost unchanged at a level beneath that of the last week in June, which showed a considerable and sudden increase. The Railways Corporation shows no inclination to meet the freight-rate demands of the Ruhr Syndicate. The Corporation has been granting rate-rebates for carriage of bunker coal to the North Sea and the Baltic on the condition that at least 450,000 tons per month was consigned. In 1927 this minimum quantity was not reached, and the Syndicate, basing its plea on the coming English freight measures, demands that the minimum guarantee be abandoned. This is only one of the Syndicate's demands, and the Corporation has not so far accepted any of them.

The steel export market continues to improve. The Stahlwerksverband has been able to raise its f.o.b. port prices for bars by 2 to 3 shillings a ton. The net export of heavy iron and steel in June reached 276,000 tons, which is much the highest figure this year, and is double the monthly average of 1927. The home market for bars is fairly good, the market for most other sorts weaker.

The locomotive industry has applied for State support. The industry demands that a State credit of, for the present, 50 million marks shall be given to the Railways Corporation in order that it may be able to finance purchases of locomotives; that corporation orders be confined to the more efficient and economical concerns; and that State financial help shall be given to the less economical works in order to help towards their adaptation to other branches of production. The memorandum to the Government states that only 100 to 120 locomotives a year have of late been ordered by the Railways Corporation, as against 1,600 to 1,800 a year before the war.

Stocks last week had a considerable rise, in part owing to foreign, in part to the influence of firmer Bourses abroad. The *Frankfurter Zeitung's* stocks index (based on 100 as the average quotation for 1926) shows for August 3rd a figure of 141.86, as against 138.76 on July 27th. Much the biggest rise was in the "future's" list, which contains most of the active stocks. The new week under the influence of easy money began firm with a demand for oil, electrical, potash and motor car stocks, but to-day quotations fell off. Large sales by a leading bank were reported, and bear speculators resumed selling.

POLAND.—FOREIGN TRADE—DECREASE OF EXPORTS—BUDGET ESTIMATES—ZINC—RAILWAY FINANCE.

(FROM OUR CORRESPONDENT.)

WARSAW, July 28.

IN June imports amounted to 289.5, exports to 192.0, million zlotys. The unfavourable trade balance has become, as may be seen from the figures below, a characteristic feature of Poland's foreign trade:—

	(Million Zlotys.)		
	Imports.	Exports.	Excess of Imports.
January	271.2	218.4	52.7
February	270.4	197.8	72.6
March	372.2	208.3	163.9
April	265.6	184.5	81.1
May	296.5	201.8	94.7
June	289.5	192.0	97.5

If we leave out of account the abnormal month of March (when the great increase of imports was due to the announcement of a rise of all Customs duties), it is clear that the excess of imports is steadily increasing. Exports have a declining tendency. From 218.4 million zlotys in January they decreased to 192.0 in June. During the first five months of the year they amounted to 1,010.8 million zlotys, as compared with 1,026.3 during the same period of 1927. Only in the group of animals and animal products has Poland succeeded in developing her exports since last year. All other groups have declined or remained nearly stationary. It seems that this unfavourable state of affairs is the result of the deep economic disturbances which are the outcome of the world war. Russia, which before the war was the principal market for Poland's industrial products (more than 90 per cent. of the industrial exports of Congress Poland were sent to this destination), is no longer important. Polish industry has small chance of success in competition in the Western markets. Consequently Poland resorts to high Customs duties in the attempt to maintain the home market for her own products. This, however, leads to high prices and facilitates the formation of combinations which are restricting production, so that finally the export trade is affected. The experience of recent months shows that the attempts to correct the trade balance by an increase in the import duties do not give the expected results. There has been a decline in exports to the United Kingdom, to British India, to Sweden, France, Italy, &c. An increase took place in the first instance in the exports sent to Germany, Czechoslovakia, and Austria. It seems that the countries of Central Europe are the most natural market for Polish products, where an economic expansion has the greatest chance of success.

The Polish Diet before the summer holidays passed the Budget estimates for 1928-29. The administrative expenditure has been fixed at 2,508.4 million zlotys. In comparison with the estimates for 1927-28 (1,973.4 million zlotys) the expenditure has increased by 535.0 millions. Its distribution among the principal ministries is as follows:—

	(Millions of Zlotys.)		
	1927-28.	1928-29.	Increase in 1928-29.
Ministry of War	610.8	741.3	130.5
Ministry of Communications ..	329.3	398.8	69.5
Public Debts	145.0	231.2	86.2
Ministry of the Interior	184.7	218.6	33.9
Ministry of Public Works	87.5	134.6	47.1
Ministry of Finance	108.3	130.1	21.8

Revenue is estimated at 2,655 million zlotys, as compared with 1,985 millions in 1927-28. It is distributed in the following manner:—

	(Million Zlotys.)	
	1927-28.	1928-29.
Indirect taxes and monopolies	1,206	1,639.4
Direct taxes	493	514.0
Administrative revenues & public undertakings ..	286	501.6

Total

1927-28.	1,985	2,655
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The principal sources of Polish revenue are indirect taxes and monopolies. Direct taxes form only one-fifth of the total.

Among the zinc-producing countries Poland occupies, after the United States and Belgium, the third place. The production is rapidly increasing, as may be seen from the figures below:—

	(Metric Tons.)	
	1924.	1927.
.....	93,091	124,345
.....	123,743	150,375

This increase is mainly due to technical improvements which have been rendered possible by the intervention of American capital. During the next two years 70 million zlotys are to be invested in the Polish zinc industry. The exports of zinc and zinc products have increased from 78,400 tons in 1924 to 122,300 in 1926 and 140,000 in 1927. The principal markets are:—

	Tons.	%
Germany	69,587	57.9
Soviet Russia	17,377	14.5
Czechoslovakia	13,102	10.9
United Kingdom	5,992	5.0
Total	106,058	88.3

Of all zinc imported by Czechoslovakia, 88 per cent. is of Polish origin. The respective percentages for other countries are 47.6 per cent. for Germany, 40.3 per cent. for Soviet Russia, and 4.2 per cent. for the United Kingdom.

The Polish railways have during the present financial year yielded a net revenue of 257.2 million zlotys. Of this, 51 millions were transferred to the Ministry of Finance, and 115.2 millions were used for new investments. The remaining 85 millions are to be utilised for the extension of the railway system during the financial year 1928-29. In connection with the rise in the salaries of the employees and the fixation of the Government quota at 90 millions, it has become necessary to increase railway fares and freights. For passenger traffic the tariffs will be increased from August 15th by 2 per cent. A revision of freight rates is in preparation.

BELGIUM.—FOREIGN TRADE—UNEMPLOYMENT—BUDGET POSITION—NEW FLOTATIONS—COTTON SPINNING CRISIS—COAL IMPORTS.

(FROM OUR CORRESPONDENT.)

Ghent, July 28.

THE first half-year of 1928 has been on the whole very favourable for Belgian industry and trade. Figures of foreign trade for the Belgian-Luxemburg Customs Union show an improvement on last year:—

	Million Francs.	
	Jan.-June, 1927.	Jan.-June, 1928.
Imports	14,464	15,480
Exports	12,328	14,281
Excess of imports	2,136	1,199

A small part of this improvement may be accounted for by the increased consumption of home-produced coal. Coal output during the first six months of 1928 is only slightly superior to last year (13,983,000 tons, against 13,851,000 tons), but whereas between January 1st and June 30th of last year stocks at the pits had increased by 943,000 tons, they have decreased this year by 429,000 tons.

Notwithstanding the Antwerp dockers' strike, tonnage entered into the Antwerp harbour during the first six months of 1928 is still in excess of that for 1927 (11,540,000 tons, against 11,516,000 tons). Unemployment remains at a low level; the number of working days lost through unemployment in June last amounts to 1.27 per cent., against 1.92 per cent. in June, 1927. Receipts of the Belgian Railway Company for the first half of 1928 amount to 1,436 million francs, of which 14 per cent. is gross profit, against 1,408 millions, including 12 per cent. gross profit for the corresponding period of 1927.

The Budget position remains very favourable; notwithstanding the granting of small reliefs and remissions in several directions, receipts for the current fiscal year effected up to June 30th amount to 3,826 million francs, or 112 millions in excess of estimates. During the first half of 1928 the National Bank has increased its gold reserve by 404 million francs; the exchange position remains quite good, and early this month the Bank rate was reduced from 4½ to 4 per cent. New flotations and capital increases have been exceptionally heavy during the first half of 1928:—

	(Million Francs.)	
	Jan.-June, 1927.	Jan.-June, 1928.
New companies	635	3,011
Capital increases	1,746	3,461
Bonds issued	111	8
Total	2,492	6,480

The Bourse remains very depressed, but the position seems to become gradually healthier, and it is hoped that improved conditions will prevail in autumn, so as to permit of the absorption of the numerous flotations and capital increases which are still being prepared.

Trade activity has lately shown some slowing down, but this may be due to seasonal causes. The textile industry appears, however, to be in an unfavourable position, and cotton spinning is threatened by over-production. The number of spindles in the Belgian cotton industry at present amounts to 1,976,475, against 1,891,854 on

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January 31, 1927, and 1,518,134 on March 1, 1914. Production has increased from 45 million kilograms of yarn in the year ending August 31, 1913, to 65 million kg in the year ending January 31, 1928. New regulations have recently been issued, entering into force on August 15th, and which subject the import of all foreign coal to a preliminary declaration, which is to be addressed by the consumer to the Belgian General Mines Direction, and which the former may be called upon to justify. Belgian coal importers have strongly protested against this measure. They point out that it cannot be justified by the necessity for collecting statistical material, seeing that a declaration has anyhow to be made at the customs in connection with the payment of transmission tax. In their opinion the new regulations constitute a disguised protectionist move, and aim firstly at penalising to a certain extent the consumers of foreign coal by subjecting them to irritating formalities, and secondly, at furnishing Belgian collieries with detailed information as to consumers, quality and sale price of imported coals, so as to be able to fight them more successfully.

BULGARIA.—LOAN POSTPONEMENT—EFFECTS ON PUBLIC FINANCE—ADVERSE TRADE BALANCE—HIGHER IMPORT DUTIES—NEED OF FOREIGN CAPITAL.

(FROM OUR CORRESPONDENT.)

SOFIA, July 25.

AFTER lengthy and somewhat painful negotiations, the Stabilisation Loan has come to a deadlock, owing chiefly to the Disconto Gesellschaft's opposition to the Customs duties receipts being pledged as security for the new loan. Strong efforts to bring the issue to an acceptable solution by way of arbitration have failed. The Bulgarian Government would not have the claims of Disconto Gesellschaft dealt with by the arbiters as a separate matter; they insist upon including in the discussion the claims of the Bulgarian National Bank concerning its depreciated credit balances with the Disconto, and upon having the whole complex of claims and counter-claims treated as an indivisible issue. It is difficult to forecast what course events will take in September next, when the matter will be debated again. Anyhow, public opinion has been very unhappily affected, both by Government and opposition comments in the Press and in Parliament. There is every reason to believe that the Government will meet with an obstinate opposition in the case of any concessions becoming necessary for the conclusion of the loan.

Although the opposition, as a whole, has adopted from the beginning and maintained throughout the negotiations a definitely hostile attitude with regard to the conditions of the loan, its postponement is being widely exploited as a weapon against the Government. A fraction of the party in power, numbering some 20 or 25 deputies, led by Professor Tzankoff, is opposing the loan with the same obstinate energy as the most implacable representatives of the opposition. Well-informed political circles are of the opinion that a partial reconstruction in the present Cabinet will take place before the end of the Parliamentary recess. Professor Tzankoff's fraction will, according to general belief, be placated, if two or three places are given to them in the new Cabinet.

The immediate effects of the failure of the loan on the country's economic life do not yet appear to be of a

decisive character. The good harvest is gradually making itself felt in the general awakening of commercial exchanges. As soon as peasant consumers are supplied with ready money, they will start buying the usual staple goods they have been needing for many months. They will also probably pay off a big portion of loans made by moneylenders on usurious terms, as well as a substantial part of advances of the Banque Agricole—a circumstance which will have important effects on the money market.

Local trade is actively preparing to meet the requirements of the new situation. Ordering of goods abroad continues very active, and, taken in conjunction with the foreign trade position on June 30th (showing an adverse balance of 733 million leva, against 357 million leva last year), there is some apprehension as to the final position at the close of the year, in spite of the good prospects for export trade as a whole.

The Council of Ministers decided to raise the Customs duties coefficient from 15 to 20 (a 30 per cent. increase of duties), to enter into force on July 26th. Exceptions are granted to prime necessity goods such as sugar, petroleum, &c., duties on which will continue to be calculated on the old basis. This measure is believed to be taken in order to increase the revenues to be ceded as a pledge for the projected loan, and also with the intention to check the strong upward movement in imports.

The State finances will no doubt find more difficulty in bearing the strain of the postponement of the loan. The Treasury has important payments (some 850 millions) which were to have been met out of the proceeds of the loan. Unless the increased economic and trade activity reflects itself in a large surplus of fiscal revenue, the position of the Treasury will very probably become still more uneasy, and Bulgaria's credit abroad will continue to be seriously impaired. The National Bank appears to be the chief sufferer in the circumstance. Although a considerable influx of foreign currency will no doubt result from the expected active exports, the foreign exchange reserves of the Bank can hardly be kept in a satisfactory state, especially if imports of foreign goods go on increasing, as they probably will do.

A new step towards settlement of pre-war public indebtedness has been recently made by the agreement reached with the Swiss creditors of the Sofia Municipality. The repayment of the 1910 loan will be effected on a basis of 35 gold centimes to the franc as from May 1, 1928, rising successively to 90 gold centimes in 1955 and to full gold value on May 1, 1958. Similar agreements have been arrived at with other creditors, and the whole question is on the way to reaching a definite settlement.

Municipal borrowing abroad has been practically non-existent ever since the war. There are large and urgent needs for capital in this field, but the hopes may be described as very remote until financial stabilisation is safely carried out. The newly established Mortgage Bank is intending to develop some activity in this respect, but there are reasons to believe that the scope of its transactions will remain rather limited owing to the state of the country's finances.

Although agriculture is reported to have made noteworthy progress during recent years as far as better methods of cultivation and larger use of machinery are concerned, no really effective results or far-reaching developments could be expected, since the vital question of land credits is still open, and will unfortunately remain so for some years to come. Foreign capital is still showing no disposition to seek employment in Bulgaria, with the exception, perhaps, of short-term investments through the intermediary of foreign bank affiliations established here. As a consequence the process of economic revival which is developing in Austria, Hungary, and other war-stricken countries is taking here a particular form of very slow, difficult, and somewhat primitive readjustment, the positive effects of which are not yet within sight, and will eventually depend on the efficient intervention of foreign capital in the form of long-term investments. Moreover, it is only fair to state that financial and economic factors are not sufficient to create an atmosphere of confidence in this respect. If such confidence is to be restored, political preparation in the internal and foreign affairs of the country is necessary—a preparation to which no particular attention appears to be paid at present.

CANADA.—CROP PROSPECTS—BUSINESS CONDITIONS—THE NEWSPRINT INDUSTRY—THE CANADIAN DOLLAR EXCHANGE—BRITISH COLUMBIA ELECTIONS—FOREIGN TRADE.

(FROM OUR CORRESPONDENT.)

OTTAWA, July 17.

THE fortunes of the all-important western grain crop are, as usual at this time, a subject of absorbing interest to the business community, and every recent report agrees that they are highly satisfactory. With unusually generous reserves of moisture, warm sunshiny weather, varied in many places with copious showers, have during the last fortnight brought the prairie crops along in splendid style, and the present indications are that the harvest will begin at least two weeks earlier than in 1927, and that yields in most districts will be heavy. Indeed, early wheat and barley are already headed out, and cutting will commence in the first week of August. Some areas in Manitoba have suffered from flooding, and a storm of cyclonic proportions has done considerable damage to the crops of Southern Saskatchewan, but the aggregate loss is not serious. There have been rumours of the appearance of black rust in Saskatchewan, but apparently no large territory is affected, and an early harvest will lessen the danger of loss from this cause. The North-west Graindealers' Association estimates the grain acreage of the three prairie provinces at the record figure of 23,558,000 acres, as compared with 21,426,000 acres in 1927, and 20,879,000 acres in 1926, which produced the largest crop in the history of the West. The western hay crop, whose cutting has begun, is good, and pastures are excellent, being quite sufficient to carry livestock till the late autumn. Crops in the central and maritime provinces are well up to the average standard, except that the hay crop of Ontario will be lighter than usual. There is also a promise of a very abundant fruit crop in the Maritime provinces, Ontario and British Columbia.

Business is experiencing the usual midsummer lull, but no signs of any real recession are visible. The volume of new building construction continues to break all records, and the value of the new contracts awarded in May exceeded the figure of May, 1927, by no less than 51 per cent., while the aggregate figure for the first five months of the year shows a gain of 41 per cent. In the same period bank debits to individual accounts, which constitute a good index of the volume of current business, showed a gain of 31 per cent., while both the railway systems report a substantial increase in their earnings. The summer tourist business from the United States once more shows an expansion, and is fifteen times as large as before the war; it is estimated that during the present year 3,000,000 motor cars will cross the frontier from the United States, and that more than one-third of these will remain in Canada more than a month. The result is that catering for these visitors has now become an industry of no small importance.

The newsprint industry is still struggling with its difficulties, and the latest development is an attempt at a co-operative agreement between the provincial Governments of Ontario and Quebec to end the present over-production of newsprint. Mr Finlayson, Minister of Lands and Forests for Ontario, who has been in conference with Premier Taschereau and officials at Quebec, has intimated that the negotiations, whose primary aim is to stabilise the newsprint industry, are proceeding "in a very favourable and friendly way," and that consideration is being given to the employment of labour and the purchase of pulpwood from settlers in any schemes which are being explored. During the month of June the newsprint production of Canada amounted to 192,391 tons, and shipments to 190,936; Canada has now far outstripped the United States as a producer of newsprint; for the American production in June was only 119,673 tons. During June, however, the U.S. mills operated at 83 per cent. of their capacity, while the Canadian ratio was only 79.2 per cent. But during the first six months of 1928 the newsprint output of Canadian mills jumped 166,994 tons, or 17 per cent., as compared with the first six months of 1927, and in this period the U.S. output showed a decline of 56,243 tons, or 7 per cent.

The Canadian dollar is at present at a discount of about $\frac{1}{2}$ of 1 per cent. in New York, the lowest point it has reached for some years, and some surprise is being expressed that this situation has not produced heavy southward shipments of gold. Since June 1st there have been shipments of gold from Canada to New York, but the amount has not been much in excess of twenty million dollars, and the Canadian authorities have evidently thought it undesirable to attempt any correction of the exchange by additional shipments. The present discount is attributed to the heavy movement of Canadian funds to New York through the high money rates prevailing there. These are the dog-days in politics at Ottawa, and the majority of the Cabinet are absent from the capital. The only political event of importance in the past month has been a provincial election in British Columbia, where the Liberal party found the electorate unwilling to renew its mandate. Full returns are not available from some outlying constituencies, but it is plain that the Conservatives will have a very comfortable majority in the legislature, and as soon as the Maclean Government resigns, the Conservative leader, Dr Tolmie, formerly Minister of Agriculture at Ottawa, will form a Ministry.

The foreign trade returns now available for the first quarter of the present fiscal year emphasise the recent trend of declining exports and mounting imports. It is true that exports in June valued at 101 million dollars were $1\frac{1}{2}$ million dollars higher in comparison with June, 1927, but imports in that month valued at 110 $\frac{1}{2}$ million dollars, showed a gain of 9 $\frac{1}{2}$ million dollars. And exports for the first quarter, valued at 284 million dollars, show a decline of some 8 $\frac{1}{2}$ million dollars, while imports in the same period have mounted from 270 to 303 million dollars. For the first quarter there is an adverse balance of trade of about ten million dollars, a phenomenon which has not been visible for a number of years.

The Federal revenues continue to be very satisfactory. In the first quarter customs duties, estimated at 44 $\frac{1}{2}$ million dollars, show a gain of nearly five million dollars, and the income-tax returns, placed at 47 $\frac{1}{2}$ millions, are up more than 6 millions. These gains are partially offset by losses in excise duties and other taxes, which were reduced, but the total revenue for the quarter is given as \$76,602,379, which is a gain of nearly two million dollars in spite of the taxation cuts of the last Budget.

Letters to the Editor.

INTERNATIONAL DEBTS.

TO THE EDITOR OF THE ECONOMIST.

SIR,—An American reader of the *Economist*, who is not a financial expert, has been puzzled by frequent statements in British periodicals and books that the British proposal for a general cancellation of inter-allied debts was a "generous" offer on the part of Britain, involving a much greater sacrifice for her than for the United States.

I have tried to test this theory by simple arithmetic, and although I cannot reach exact results, because of certain differences in the figures stated by different authorities the conclusions reached are the following:—

Assuming that an auditor would class all the loans to Allies made by the two creditor nations as sound debts. The United States loaned more than Britain did and borrowed nothing, so that cancellation would mean for her a loss of the total of the loans she made.

The loss to Britain would be the amount of her loans less the amount of her debt to the United States, so that her loss on balance would be something like half of the amount she loaned.

Probably an auditor would write off loans to Russia as hopeless debts. The largest loan made by Britain, unfortunately, was that to Russia, while the American loan to Russia was a comparatively trifling amount, while also, unfortunately for Britain, the greatest sound debt is hers to the United States. So that if realities rather than paper assets are considered, the discrepancy between British and American losses through general cancellation would have been vastly greater than would appear from a book-keeping statement.

American financiers believe that the funding agreements which the two creditor nations have made with various Allies (including the French tentative agreements) represent as much as ever is likely to be paid on account of inter-allied borrowings—if not far more. My impression (perhaps wrong, as I

have no reference books at hand) is that Britain has bound herself to pay more to the United States than her Allies have agreed to pay her. So that cancellation to-day would be a profitable bargain for her rather than generosity.

This subject is an important one, because the British presentation of her case, that the offer of general cancellation of inter-allied debts was a very generous one on her part, which would mean a great sacrifice for her, and that American refusal to co-operate was a glaring example of Yankee greed, has been spread about the world and generally accepted by foreign publics, who do not take the trouble to analyse the facts. It impresses Americans as very unfair diplomacy, and has done much to counteract the efforts of those Americans who are trying to convince the public that justice demands the forgetting of the war loans.—I am, Sir, faithfully yours,
AMERICAN.

Bournemouth, August 5th, 1928.

[No careful commentator has ever made the claim put forward in the first part of our correspondent's letter. All that has been claimed is that cancellation all round would leave on the British taxpayer the burden of bearing a considerable share of our European Allies' war expenses. America lent 10 billion dollars and borrowed nothing. We lent 10 billions and borrowed 4 $\frac{1}{2}$. A net loan of 5 $\frac{1}{2}$ is obviously less than one of 10. It might, however, be pointed out, in passing, that 5 $\frac{1}{2}$ billion dollars is a much heavier burden to Great Britain than 10 billions to the U.S.A.]

Unfortunately, as our correspondent rightly observes, our loans include a much larger proportion of bad debts than those of the U.S.A. Though we lent much more than we borrowed, our agreements with France, Italy, and other countries will yield at the maximum less than half our annual payments to the U.S.A. This, however, brings us to another point. Our claim against Germany may or may not be considered either financially "good" or morally just. But it represents very real expenditure (including the loss of a large part of our merchant fleet), for which either the British or the German taxpayer must pay. Our nominal claim against Germany is of the order of 8 billion dollars, while that of the United States against Germany is by comparison a trifling amount. Cancellation all round, including reparations, means on paper a greater net loss to Great Britain than to America (that of France being slightly greater than that of Great Britain). Our annuity from Germany, plus those from our Allies, will ultimately equal that which we pay to America—leaving us with a substantial interest to pay on the capital of our bad debts.

The present situation is that for practical purposes the debts have been written down, that due from Russia almost entirely, those from Germany and our Allies very drastically. The debts due to the U.S.A. have also been written down—but, on the whole, much less drastically. Our correspondent is, therefore, quite correct when he argues that further cancellation would be mainly at the expense of America.—Ed. *Economist*.]

Books and Publications.

ECONOMIC PSYCHOLOGY.

M. HENRI DE MAN was before the war, and during its course, a leader, as he still is a member of, the Belgian Socialist Party; at international conferences his quite remarkable talents as an interpreter—he has a complete mastery of three, and possibly of more, languages—meant that his part in debate was limited in quantity, but it was always very distinguished in quality. In the last few years he has been withdrawn from active politics, occupied both in seeing conditions throughout the world and—still more unusual enterprise—thinking. The upshot is a very remarkable book, which, though primarily addressed to Socialists, contains material of very real interest to all students of contemporary psychology, and particularly of the psychology of the working class and of working-class movements. In its French version, *The Psychology of Socialism* (written by the author in German, since German Social Democracy is in his view pivotal for the fate of European working-class movements to-day, as it proved to be, fatally, in 1914) is called "Au delà du Marxisme," and it is by far the most complete and infinitely the most interesting "liquidation" of Marxism (the word is the author's own) ever penned. For M. de Man is not concerned with verbal discussions, examinations and refutations of particular passages; he is con-

* "The Psychology of Socialism." By H. de Man. Trans. by Eden and Cedar Paul. Geo. Allen and Unwin. 16s.

cerned with the substance of economic determinism, which he rejects root and branch.

He rejects the Marxian idealisation of the proletariat; refuses to assign to the "masses" the mystical virtues given them in the Marxist cult, as "the expression of a tendency of certain intellectuals towards the 'projection' of their own aspirations (born of their own impatience and of a reaction against the impotence of the social stratum to which they belong) upon a great X which has the advantage—for them—of being an unknown quantity." He is an impenitent and convinced believer in democracy, which, for him, is the "very substance of the Socialist idea." In his analysis of the "social inferiority" complex of the worker he destroys the theory of the "class war" as commonly used; here, as throughout his book, he puts phrases ruthlessly to the test of facts—and accepts psychological facts as the hardest and most tenacious of any.

"Thank God I am no Marxian," Marx is reported to have said. Nothing but horror, if his mind may be judged either from this remark or from his own controversial writings, would have filled him could he have known that a school of disciples was to arise for which belief in the verbal inspiration of *Das Kapital* was a primary article of faith, and whose members were to find in this obscurantism a justification for describing themselves as "on the left." He would, himself, probably have had far more sympathy with M. de Man, for whom the schisms of his youth have been ousted by experience, by a view that takes in more of human nature.

CANADIAN WHEAT POOLS.*

This is a most satisfactory book which no one interested in agrarian problems should miss. As the name suggests, it is an account of the struggle of the farmers of Western Canada, beginning around 1900, to solve by co-operative effort their harassing problems—the unsatisfactory market conditions, the low prices, the alleged cheating as to grades, the exactions of elevators, the interference of speculators, the high freight rates, and the red ink on their ledgers. At first glimpse the volume of 460 pages seems a rather overwhelming mass of detail, but the author is so steeped in his material, and obviously so much at home with the technique of grain marketing, that the details drop easily into place, and the growth of a strongly integrated movement is revealed. There are mistakes aplenty, there are jealousies and conflicts within the ranks, but some practical instinct, some saving realistic sense that the market is the thing and not some far-off "Money Trust," keeps them fundamentally united and constantly profiting by their mistakes until to-day they see victory pretty well achieved. Just the other side of the border—what a contrast! A dozen different farmer movements have waxed and waned; a dozen different panaceas, from tariffs and bimetalism to Government marketing, have been proposed, and the American farmers stand to-day practically where they did when the Canadians began. No Briton, however languid his Imperialism, can read this book without a strong feeling of pride.

After a brief historical introduction surveying the rise of grain-growing in Western Canada, the author devotes the first three sections to an account of the attempts of the grain growers, first to get their grain to market under their own ownership—a struggle which resulted in their expulsion from the floor of the Winnipeg Grain Exchange and their subsequent triumphal re-entry—then their fight for producer-owned elevators, and, finally, the evolution of their present far-flung system of collective marketing. This part of the narrative comes down to December, 1927, when the Central Selling Agency of the combined wheat pools opened its European headquarters in London. The fourth section is a very able and critical analysis of the economic and social results of these various co-operative movements. The newspaper bogey of a "world wheat pool" is shown to be entirely opposed to the views of the Canadian wheat pools as well as unnecessary and unpractical. Dr Patton does not think the pools have been

* "Grain Growers' Co-operation in Western Canada." By Harold S. Patton, Ph.D., of the University of Cincinnati. Harvard Economic Studies, No. 32. Published by the Harvard University Press and, by arrangement, Humphrey Milford. 23s net.

able to raise the price of Canadian wheat in world markets, and he shows why, but he demonstrates that they have succeeded in reducing—to the great benefit of their own members—the spread between what the farmer gets for his wheat and what the consumer pays for it. But he frankly anticipates that subsequent reactions in sentiment will bring fresh problems to the leaders and to the rank and file. A very full and useful appendix contains a chronology of the movement, the texts of typical contracts as between the growers and the pools, and between the pools and the elevators, together with a very good bibliography.

BOOKS RECEIVED.

[Brief mention of a book in this column does not necessarily mean that it will not receive fuller notice in a subsequent issue.]

Studies in International Law and Relations. By A. Pearce Higgins. (London) Cambridge University Press, Fetter lane. 15s net.

This collection of studies, some of which have been previously published elsewhere, belongs to the small but growing class of works of real scholarship which are of intense interest to the layman. All the problems dealt with have been very much to the fore since 1914, so that Professor Higgins' contributions to the subject, invaluable to the specialist student, will also be welcomed by everybody who takes an intelligent interest in international relations. The author of this important work is Whewell Professor of International Law in the University of Cambridge.

International Labour Review. July, 1928. (London) George Allen and Unwin, Limited, 40 Museum street. 2s 6d.

In addition to the usual statistics on wages, employment and retail prices, there are special articles on: "Seasonal Unemployment in the Clothing Industries"; "Shop-closing Legislation in European Countries"; "Co-operation and Monopolies in Sweden"; and "The Regulation of Hours of Work in European Industry."

Security Syndicate Operations. By Arthur Galston. (New York) Ronald Press Co., 15 East 26th street. \$4.00.

This new edition of a standard work on security syndicates is admirably arranged, and gives a full and clear account of the essentials of the subject within the compass of less than 200 pages.

The Annals of the American Academy of Political and Social Science. July, 1928. (Philadelphia) American Academy of Political and Social Science, 3622-24 Locust street. \$2.00.

The papers discussed at this year's meeting of the Academy are grouped under the following heads: "Foreign Investments and Foreign Policy"; "China and American Foreign Policy"; "Recent Aspects of our Relations with Latin America"; "The Present Situation in Russia: Its Relation to American Foreign Policy"; "The Arbitration Policy of the United States"; and "The Present and Future of Disarmament." Under each heading appear papers by some half-dozen contributors. This is an unusual opportunity for Europeans to learn what leading Americans are thinking about certain issues on which American public opinion is of great importance.

Queen Anne's Canadian Expedition of 1711. By William Thomas Morgan. (Kingston, Ontario) Queen's University.

A brief historical monograph of 32 pages.

Annual Report of the Superintendent of Insurance for the Year ended December 31, 1928. Part I: Fire and Marine. (Albany) Insurance Department.

Contains detailed information abstracted from the audited statements of all fire and marine insurance companies authorised to transact business in New York State.

Income-Tax Up-to-Date. By H. J. Gully. (London) Financial News, 111 Queen Victoria street. 9d.

A pamphlet of practical information designed to enable the tax-payer to see what he is liable to pay and how to recover abatements to which he is entitled.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C.2:—

Department of Overseas Trade: Report on Economic Conditions in the Serb-Croat-Slovene Kingdom. May, 1928. 1s 6d net.

The Stock Exchange.

THE GRAMOPHONE BOOM.

AN August Bank Holiday week-end is an appropriate season in which to reflect upon the popularity of the talking machine. The civilised man, so little able to sing and amuse himself in his leisure time, seems to have become dependent upon buying song and music from the ether waves or the celluloid disc. When broadcasting of entertainment from the radio stations was begun, it was universally prophesied that the gramophone would go out of existence. But the gramophone refused to move. Instead it began to be more appreciated. The wireless must have helped to popularise potted music. It must also have bored its public from time to time. The monotony of wireless entertainment must have driven many self-respecting listeners to the gramophone. With the gramophone you do not have to buy what you do not want to hear.

But there is an economic as well as a psychological cause for the extraordinary growth of the talking-machine industry. The public demand for gramophone music would not have increased unless the price of the commodity had been cheapened. The first step in this direction was taken by the big manufacturing companies—the Victor Talking Machine Company of America, which controls the Gramophone Company ("His Master's Voice") in this country, and the Columbia Graphophone Company, Limited, which controls, through Columbia International Company, Limited, the Columbia Phonograph Company of New York. These big companies, which have their subsidiary manufacturing companies in Japan, Europe, Canada, and Australia, brought down the price of the gramophone instrument. Moreover, the machine was technically perfected, manufactured in a more convenient form (the portable model), and brought within reach of the multitude by being sold on the instalment system. The second step was taken by the new record-manufacturing companies, who brought down the price of the gramophone record. As recently as last year the 1s 3d and 1s 6d records were put on the market, and immediately began to have a rapid sale. Millions of cheap records sold by the new companies were played on thousands of cheap gramophones sold by the old companies. That is how the gramophone industry expanded to its present size. According to the census of production, about 22 million records were manufactured in 1924; to-day the new companies alone have budgeted for additional British sales of over 50 million records. It is estimated that there are no less than 2½ million gramophones in this country.

It is not surprising that the Stock Exchange has been enjoying this year a boom in gramophone shares. When the so-called industrial share "boom" is analysed it will be found to have confined itself to the shares of companies belonging to the newer industries—gramophones, radio, artificial silk, and electrical power—of which the gramophone industry is perhaps the most prosperous. But it is curious that the "boom" should have caught hold of the shares of both the big companies and the new-comers alike. It is obvious that the rapidly increasing sale of cheap records by the new-comers must have made some inroads into the sale of the cheapest records sold by the two big companies—Columbia and Gramophone. But the Stock Exchange has apparently assumed either (i.) that the new-comers are catering for a new public, and that if the Gramophone and Columbia organisations have lost some trade, they are still able to increase their turnover and profits, or (ii.) that the Victor Talking, Gramophone, and Columbia organisations will be forced by the competition of the new-comers into forming a vast world combine which will be able to put an unlimited quantity of cheap records on the market.

The following prices reveal the apparent paradox of the Stock Exchange "boom" in gramophone shares—the constant revaluation upwards of the prospects of both old and new concerns:—

	1928.		Begin- ning of 1928.	June 25.	July 27.	Aug. 9.
	Lowst.	Hghst.				
Columbia Graph., 10/ shs.	6½	18½	7½	12½	13	14½
Gramophone, £1 shares...	9	14½	9½	10½	11½	12½
Victor Talking, no par ..	54½	105½	54	83½	95½	97½
Vocalion, 10/ shs.	2½	4½	2½	2½	3½	3½
Duophone, 10/ shs.	13½	4½	13½	2½	2½	2½

* Introduced March, 1928.

The first danger of a "boom" market is that prices get carried far above their "investment" value based on the dividend yield. The Columbia Graphophone paid dividends of 40 per cent. for the year to March, 1927, out of profits of £180,442, and for the fifteen months to June, 1928, is expected to pay at least 80 per cent., if not 100 per cent. The present capital is small, consisting of £300,000 in preference shares and £491,046 in ordinary shares of 10s. At £15 for the 10s shares the market capitalisation for Columbia would be approximately £15,000,000. The Gramophone Company paid 40 per cent. for the year to June, 1927, and increased its interim dividend from 7½ per cent. to 10 per cent. in respect of the current year. A distribution of 80 per cent. this year is "rumoured" in the market. Its earnings for 1926-27 amounted to £752,216 on a share capital of £1,190,000, including £100,000 5 per cent. preference shares, and a loan capital of £300,000. The market valuation of the Gramophone Company, assuming that the 12s paid ordinary shares held by the Victor Talking Machine are valued proportionately to the £1 shares, which are quoted at 12½, would also amount to nearly £15,000,000. Victor Talking common shares of no par value earned for the first six months of 1928 \$2.70 per share, against \$1.57 for the first half of 1927. If its profits are maintained for the second half at the same rate, \$5.40 would be earned per common share, which the market now values at 97½. Vocalion paid 40 per cent. in dividends for the year to March, 1928, and is expected to increase its distribution substantially for the current year. At 3½ the shares would return a yield of 5.4 per cent. on the basis of last year's dividends. In the case of Duophone no accounts have yet been published. In considering these market prices it must not be forgotten that the Columbia, Gramophone, and, of course, Victor Talking quotations are largely influenced by New York buying and selling. An eventual amalgamation of the three concerns is the rumour on which the New York operators have been buying shares.

The second, and more important, danger of a "boom" market is that company promoters and financiers take advantage of the public interest by floating new companies which have an indifferent chance of success. This has happened in the case of the gramophone "boom" as it happened for different reasons in the case of British films. The *Economist* lately made a calculation of the paper losses suffered by the subscribers to the British film company issues made this year. In the interests again of the subscribing public, we have made a similar examination of the issues of nine gramophone companies this year—Electramonic, Electramonic (Foreign), Dalcetto-Polyphon, Gramophone Records, Dominion Records, Crystalate, Duophone (Foreign), American and Dominion Unbreakable Records, and Worldecho Records. A total capital was created by these issues of £1,492,750, of which £259,000 represented allotments to vendors for considerations other than cash. We find that the public put up 93½ per cent. of the cash subscribed, and received only 56 per cent. of the estimated profits. Once again the public as a whole does not appear to have been given "a square deal."

As regards the present market valuations of the securities issued—excluding those of Electramonic (Foreign), Worldecho, and American and Dominion Unbreakable, which at the time of our analysis had not yet

received a quotation—it will be found that setting off the profit on the deferred shares against the loss on the preferred shares, the public is still the loser on paper by £115,667, while the vendors have secured a paper profit of £306,148. The figures are as follows:—

	Original Subscription.	Value on Aug. 2, 1928.	Difference.
Public—			
Preferred capital	625,000	354,125	— 270,875
Deferred capital*	192,500	347,708	+ 155,208
			Net — 115,667
Vendors—			
Preferred capital	219,000	525,148	+ 306,148
Deferred capital*			
			Net + 306,148

* Where there is no preference capital ordinary shares have been treated as deferred.

These figures do not show the total potential profit of the vendors, because in almost every case the vendors have option rights on unissued deferred shares. Of the nine issues, six made use of the 1s deferred share, the abuses of which the *Economist* did something to expose in its issue of July 7th.

Another danger of "boom" conditions is over-production of the commodity. We do not suggest that the sale of cheap gramophone records has yet reached its saturation point. It is impossible to say how wide the market in this class of potted music will become. It is remarkable that all the nine companies whose prospectuses we analysed proposed to produce a "popular-price" record, mostly of the unbreakable type, and one priced as low as 8d, and that six of them alone contemplated selling 95 million records per annum, of which 64 millions were in respect of the Duophone foreign markets. The information advertised by gramophone companies whose shares were introduced on the Stock Exchange showed a further budget of 32,000,000 records, of which Duophone was responsible for 20,000,000 records and Goodson for 12,000,000. Allowing for the fact that the Duophone Company will be manufacturing for its foreign subsidiaries, it appears that new companies intend to add at least 50,000,000 records to the home market, which will bring the potential British turnover to over 100,000,000 records per annum. If there are as many as 2½ million gramophones in use, the consumption would be 40 records per gramophone per annum. Those who prophesied the saturation point for motor-cars many years ago have been made to look foolish. We will not, therefore, prophesy saturation point for gramophone records, but we think that the position of the gramophone industry must be carefully watched by the investor.

THE WEEK IN THE MARKETS.

SETTLING DAYS.

TICKET.	ACCOUNT.
August 14.	August 16.

There was a firmer undertone about the markets this week. The more confident feeling which developed on the eve of the Bank holiday was maintained on the opening of markets on Tuesday. Although an easier tendency developed on Thursday in view of the carry-over, it may be said that a broadening of interest was evident. The main features were a spurt in the gramophone market on buying from New York, the continued activity in insurance shares, and the firmness of the oil share market.

The gilt-edged market was quiet, with practically no changes of importance, but the tone was rather subdued on account of the monetary uncertainty. The market is frankly nervous of the position in New York. With call money at 6½ per cent. there was talk of the New York Federal Reserve re-discount rate being moved up to 5½ or even 6 per cent. In some quarters doubt was expressed as to whether our Bank rate would be maintained at 4½ per cent. this autumn.

The foreign market was completely idle. It is generally expected that the Roumanian Stabilisation Loan will make its appearance in the autumn.

There was a better tendency in the home railway market. The increases shown in the traffic returns did not have much significance, as comparison was between

a pre-holiday week this week and a normal week last year. All the home railway stocks at the time of writing have maintained their improvement. The foreign railway market was quiet. San Paulo was in demand, and rose 2 points to 206. Antofagasta and Nitrate Railways were slightly better. Argentine railway stocks were slightly firmer.

The industrial share markets were rather more active. The gramophone share market was strong under the influence of New York speculation. The significance of the gramophone share "boom" is discussed elsewhere in this week's issue. Victor Talking Machines were prominent with a rise to 101½, which may be attributed in part to the increase in the half-yearly earnings and in part to vague rumours of amalgamations. Subsequently Victor Talking reacted to 97½. Columbia Graphophone rose at one time to 15½ and reacted subsequently to 14½. Gramophone rose over a point to 12½, and came back to 12½. Among the newer companies Vocalion were steadily absorbed, and advanced to 3½, while Vocalion (Foreign) rose to 1½ in sympathy. A number of other industrial shares improved with a renewal of speculative investment buying. Dunlops in particular were 1s higher at 28s 4½d, largely on option buying, and Gaumont British spurted 1s 6d to 9s 6d. Tobacco shares were without much change, and textiles were slightly easier. Courtaulds, however, were in demand, and moved up to 4½. British Celanese issues were flat, being affected by the unsuccessful result of the British Celanese 7½ per cent. preference issue. Underwriters of this issue were left with 87½ per cent., and the 10s paid shares opened at 1s discount and fell to 2s discount. The insurance share market, after being firm, developed an irregular tone. Commercial Union and Phoenix lost on Wednesday the rise they enjoyed on Tuesday. Cable stocks were somewhat easier, Marconis fell from 6s 6d to 6s 4s, although Canadian Marconis spurted 2s and finished 1s higher on balance.

Business in the rubber share market was negligible, but the tone was steady. Tea shares were quiet.

In the oil share market there was professional buying of the leading shares; Shells, Royal Dutch, Burmah Oil, and Anglo-Persian were all supported, but reacted on Thursday. Shells attracted investment buying, but in the case of Anglo-Persian there was some evidence of covering by bears. The New York market has been somewhat "bullish" of oil shares on the mistaken view that restriction of output can bring an industry back into prosperity. Mexican Eagles were better at 13s 6d, and Canadian Eagle at 15s.

In the Kafir market a few shares improved, but the changes were unimportant. Among tin shares, London Tin Syndicate were prominent with a rise of 2s 6d to £3 10s, ex rights. A more favourable view of tin prospects is taken.

INVESTMENT NOTES.

The Small Investor and the Press.—A writer in a contemporary raises the question of the extent to which the undoubted increase in the space devoted to investment matters in the columns of the popular Press has reacted on the position of the smaller investor, and the supply and direction of new capital generally. The suggestion is made that a good deal of money which would otherwise have been spent, pocketed by "bucket-shop" proprietors, or (as Mr Churchill suggested in the House this week) by bookmakers, or invested locally through the medium, say, of a solicitor in real property has, in fact, found its way to the Stock Exchange. How far this is true is difficult to determine. The evidence of the City is inconclusive, a number of stockbroking firms declaring that "small orders" have tended to increase during recent months, while others report no greater movement in this direction than is commonly experienced in times of activity on the Stock Exchange generally, such as that through which the industrial markets passed last year and in the earlier months of 1928. The investment advice given in the newspapers which devote themselves mainly to the interests of "the man in the street" has taken the form less of a review of the principles and technique of investment than an endeavour to indicate particular stocks and

shares whose purchase appears particularly advantageous at a given moment. Though shares are occasionally recommended which are unobtainable by the ordinary investor, the writers are recognised as having been, for the most part, at pains to select and verify the facts on which their inferences are based, and more than one such writer is known to have a considerable following among members of the Stock Exchange. Jobbers are said, for instance, to have raised their prices on occasion as a precautionary measure on seeing some particular share singled out for attention in the morning's newspaper. For reasons which will be familiar to readers of the *Economist*, we have consistently refrained from publishing in our columns any matter which might be construed as being in the nature of a "tip," choosing rather to put before our readers the facts relating to the position of particular companies and markets and to investment problems generally, so that the individual reader might possess the necessary foundation for an informed personal judgment. We do not propose to change this policy in the future. The present reaction in Stock Exchange activity, if continued for some little time, will provide a more severe test of the "investment adviser's" ingenuity than the latter has yet experienced. Not only will the more speculative markets offer much less to "go for," but the writers concerned will be called upon to decide whether or no to advise not only purchases, but sales of shares when circumstances demand. Such advice would naturally be a matter of some delicacy, but it is one of the first principles of investment practice that the time to sell is an even more important consideration for the successful investor than is the time to buy.

Marconi Company.—The Marconi Company has issued a statement to inform shareholders that as the Wireless-Cable Merger does not provide for the liquidation either of the Cable companies or of the Marconi Company, the rights of the holders of the different classes of shares in the Marconi Company in a liquidation or winding-up do not come into question. The merger will be effected by an exchange of shares, in which the capital of the Merger Company which has been allocated to the Cable companies will be offered to the ordinary shareholders of those companies, and the capital allocated to the Marconi Company will be offered to the Marconi shareholders. The Marconi directors state that it has not yet been determined how the holders of the different classes of shares in the Marconi Company will be treated in the allocation of the Merger Company's capital. It is the intention of the directors that the offer of the exchange of shares shall not be made on the basis of a liquidation or winding-up, but shall be such as the board consider fair and equitable as between the different classes of shareholders. This statement seems to suggest that as the scheme cannot be passed without the consent of the ordinary shareholders whose shares were written down from £1 to 10s, these shareholders will be treated more favourably than they would otherwise be if the £1 shares were regarded as the equivalent of two 10s shares. The terms will not be made known until the Merger Company is formed, and will then be placed before the Marconi shareholders for their acceptance.

Insurance Share Values.—At a time when the industrial market is particularly quiet, the market in insurance shares has displayed renewed vitality, and during the past month many of the leading shares show substantial rises in value. There is no doubt but that a solid basis of good results exists for the substantial appreciation that has occurred. A further factor in the situation has been the tendency towards capitalisation of reserves, with a view to reducing uncalled liability, and towards share splitting, and these tendencies—with the expectation of further action in this direction—have done such to popularise the hitherto restricted market in the shares. The table which we publish below shows the history of an investment in 1913 of £1,000 in the

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price	Week	Latest	Price	Week	Latest
Conv. Loan 3½%	77½	77½	77½	Treasury 5% (B)	101½	101½
Do 4½% 1944	98½	98½	98½	Palestine 5% 1932-67/104	104½	104½
War Loan 5% 1929-47/102½	102½	102½	102½	S. Africa 5% 1915-75/103	103	103
Do 4% (tax free)	55½	55½	55½	Canada 3½% 1930-50	82	82
1929-42	101½	101½	101½	India 3½%	71½	71½
Consols 2½%	86½	86½	86½	Australia 5% 1945-75	99	99
Do 4%	89½	89½	89½	N.S. Wales 5½% 1922-32	101	101
Funding 4%	94½	94½	94½	N. Zealand 5% 1946	103	103
Victory Bonds 4%	105	105	105	Nigeria 5% 1949-79	113	113
War Bonds 5% 1929	65	65	65			
Local Loans 3%	65	65	65			

Foreign Government Securities.

Japan 5% (1924) ..	93½	93½	93½	French 5%	18½	18½
Tokyo City 5½% ..	91½	91½	91½	Do 4% (Brit.)	15½	15½
Argentine 4% Reciss. ..	86½	86½	86½	German 7%	106½	106½
Austrian 6% 1923-43 ..	101½	101½	101½	Greek 7% Refugee ..	100	100
Belgian 7%	109	109	109	Hungary 7½%	101½	101½
Brazil 5% Funding ..	88½	88½	88½	Chili 6%	98½	98½
Bulgaria 7%	88½	88½	88½	Italian 5% (Marm.Ry) ..	101½	101½
China 5% (1922) ..	84	84	84	P.L.M. 6%	101½	101½
Egypt United 4% ..	84	84	84	Poland 7%	92	92
Estonia 7% 1927 ..	95	95	95	Mexican 5% (1893) ..	33	33
Finland 6% 1923 ..	99	99	99	S. Paulo Coffee 7½% ..	104	104

British and Foreign Railways.

G. Western Ord. Stk. ..	84½	84½	84½	Antofagasta Ord. Stk. ..	88½	89
L.N.E. Def. Stk. ..	12½	12½	12½	B.A. Electric Ord. Stk. ..	89	90
L.N.E. Pref. Stk. ..	26½	26½	26½	B.A. Gt. Sthn. Ord. Stk. ..	102½	103
L.M.S. Ord. Stk. ..	56½	56½	56½	B.A. Western Ord. Stk. ..	89	89½
Metropolitan Cons. Stk. ..	67½	67½	67½	Can. Pacific Com. Stk. ..	213½	214½
Met. District Ord. Stk. ..	76	76	76	C. Argentine Ord. Stk. ..	93	94
Southern, Def. Stk. ..	32½	33	33	Entre Rios Ord. Stk. ..	83½	84
Do Pref. Ord. Stk. ..	75	74½	74½	Leopoldina Ord. Stk. ..	62½	62½
Underground Ord. Stk. ..	1½	1½	1½	Mexican Rly. Ord. Stk. ..	7	7
Do Income Bonds ..	124	124	124	Utd. Havana Ord. Stk. ..	50½	51

Banks.

Bank of England Stk. ..	263	263	263	Midland £1, fully paid ..	38½	38½
Barclays B. (£1)	21½	21½	21½	Nat. Prov. £20, with 24 ..	14	14
Barclays (Dom. Col. ..	1½	1½	1½	Hongk. and S. (£125) 138 ..	138	138
Lloyds £5, with £1 pd. ..	3½	3½	3½	Standard of S. Africa ..	20, with £5 paid 16 ..	16
Martins £1	3½	3½	3½	Westminster £20, with ..	19½	19½
Mid. £12, with £2½ pd. ..	9	9½	9½			
Do £2½, fully paid ..	9½	9½	9½			

Insurance.

Alliance £1, fully paid ..	23	23½	23½	N. British and Mer. £5, ..	39½	40
Com. Un. £2½, fully pd. ..	29	30½	30½	with £1½ paid	7	7
London & Lancs. £5, ..	33½	33½	33½	Royal Ex. £1, fully pd. ..	9½	9½
with £1 paid	33½	33½	33½	Roy. In. £1, with 10/pd. ..	9½	9½

Coal, Iron and Steel.

Babcock, Wilcox (£1) ..	3½	3½	3½	Ebbw Vale (£1)	5½	5½
Baldwin (£1)	1½	1½	1½	Guest, Keen (£1)	1½	1½
Bengal Iron (£1)	1½	1½	1½	Powell, Duffryn (£1) ..	1½	1½
Bolckow Vaughan (£1) ..	1½	1½	1½	Swan, Hunter (£1)	1½	1½
Dorman, Long (£1) ..	1½	1½	1½	Vickers (6/8)	1½	1½

Textiles.

Bradford Dyers (£1) ..	2½	2½	2½	Courtaulds (£1)	4½	4½
Brit. Celanese, Ord. (10/3) ..	3	3	3	Fine Cott. Spinn. (£1) ..	2½	2½
Do Prof. (£1)	1½	1½	1½	Listers (£1)	1½	1½
Coats, J. and P. (£1) ..	3½	3½	3½	Snia Viscosa (200 lire) ..	1½	1½

Electrical Manufacturing.

British Insulated (£1) ..	4½	4½	4½	Johnson & Phillips (£1) ..	1½	1½
English Electric (£1) ..	1½	1½	1½	Metro-Vickers (£1) ..	1½	1½
General Electric (£1) ..	1½	1½	1½	Siemens (£1)	1½	1½

Electric Light and Power.

Brnmeth & Poole (£1) ..	3½	3½	3½	Lancashire (£1)	1½	1½
City of London (£1) ..	1½	1½	1½	N'w'stle-on-Tyne (£1) ..	1½	1½
Midland Counties (£1) ..	1½	1½	1½	Yorkshire (£1)	1½	1½

Telegraphs and Cables.

Eastern Stk.	248	245	245	Marconi (10)	3½	3½
Eastern Exten. (£10) ..	24½	24½	24½	Marconi Marine (£1) ..	2½	2½
Western (£10)	24½	24½	24½	U. River Plate (£5) ..	9½	9½

Motors.

Austin, 20's	7½	7½	7½	Morris 7½ Cm. Pl. (£1) ..	1½	1½
Dennis (£1)	3½	3½	3½	Napier (£1)	2½	2½
Leyland (£1)	1½	1½	1½	Singer (£1)	2½	2½

Shipping.

Cunard (£1)	1½	1½	1½	P. & O. Def. Stock ..	235	235
Furness Withy (£1) ..	1½	1½	1½	Royal Mail Ord. Stock ..	73	73

Miscellaneous.

Assoc. P. Cement (£1) ..	1½	1½	1½	Imp. Chem. Def. (10) ..	1½	1½
Barker (John) (£1) ..	3½	3½	3½	Imp. C. Gas Stock ..	16½	16½
Braz. Traction, no par 56½ ..	55½	55½	55½	Imperial Tobacco (£1) ..	5½	5½
Brit. Am. Tobacco (£1) ..	6	6	6	Kreuger & Toli (kr100) ..	30½	30½
British Match (£1) ..	1½	1½	1½	Lyons (J) (£1)	5½	5½
Carreras, "A" Ord. (£1) ..	1½	1½	1½	Mambré & Garton (£1) ..	2½	2½
Columbia Graph. (10) ..	13½	13½	13½	Mond Nickel (10)	3½	3½
Dunlop (6/8)	1½	1½	1½	Primitiva Gas (£1) ..	1½	1½
Dunlop (10)	2½	2½	2½	Salt Union (£1)	2½	2½
Forestal Land (£1) ..	1½	1½	1½	Swed. Match, B. (kr100) ..	22½	23
Gas Light & Coke (£1) ..	1½	1½	1½	Victor Talking, no par ..	98½	98½
Gramophone Co. (£1) ..	12½	12½	12½	Vocalion (10)	3½	3½
Harrods (£1)	3½	3½	3½	Wallpaper, Def. (£1) ..	1½	1½
Hudson's Bay (£1) ..	5½	5½	5½	Watney Combe & Stk ..	318	318
Imp. Chemical (£1) ..	1½	1½	1½	Wm. Cory (£1)	2½	2½

Tea and Rubber.

Anglo-Dutch (£1)	1½	1½	1½	London Asiatic (2) ..	7½	7½
Cons. Tea & Lums (£10) ..	38½	38½	38½	Rubber Trust (£1) ..	1½	1½

Oil.

Anglo-Persian (£1) ..	3½	3½	3½	Mexican Eagle (£1/0 6) ..	8	8
Apex (Trinidad) (5/0) ..	1½	1½	1½	Royal Dutch (£5)	33½	34
Burmah Oil (£1)	4½	4½	4½	Shell (£1)	5½	5½
Lobitos (£1)	2½	2½	2½	Trinidad Lshlds. (£1) ..	3½	3½

Mines.

Anglo-Amer. of S.A. (£1) ..	1½	1½	1½	Lake View & Star (4) ..	2½	2½
De Beers (Def. (£2½) ..	13	13	13	London Tin (£1)	3½	3½
De Beers (Ord. (£2½) ..	4½	4½	4½	Rio Tinto (£5)	47½	48
"Chartered" 15 f.p. ..	1½	1½	1½	Russo-Asiatic (2/6) ..	4½	4½
Burma Corp. (Rs. 10) ..	1½	1½	1½	Siamese Tin (5)	1½	1½
Central Provinces (£1) ..	5½	5½	5½	Sub-Nigel (10)	2½	2½
Geduld (£1)	2½	2½	2½	Tanganyika (£1)	2½	2½
Johan. Cons. (£1)	2½	2½	2½	Union Crp. (12/6 fu pd) ..	4½	4½

ordinary shares of each of 25 leading companies, and an index also of the total.

SHARE INDEX.

Office.	1913.	1920.	1925.	1926.	1927.	Dec. 30, 1927.	July 31, 1928.
Alliance	1,000	1,018	1,312	1,323	1,424	1,554	1,848
Atlas	1,000	2,059	2,353	2,361	2,746	2,984	3,809
Caledonian	1,000	1,776	3,986	3,663	3,815	4,065	5,430
Commercial Union	1,000	2,453	3,878	3,867	4,095	4,615	5,050
Employers' Liability	1,000	3,558	3,124	2,928	2,825	2,613	3,063
Equity and Law	1,000	922	1,223	1,210	1,196	1,214	1,884
General Accident	1,000	2,650	4,533	4,200	4,314	4,533	7,400
Gresham Fire	1,000	2,869	3,869	3,476	4,145	4,524	5,524
Gresham Life	1,000	649	1,893	2,065	2,916	3,542	4,030
Guardian	1,000	1,731	2,111	2,111	2,215	2,288	2,705
Legal and General	1,000	1,443	2,623	2,746	3,524	4,153	5,738
Life Association of Scotland	1,000	1,403	1,403	1,403	1,403	1,403	1,403
London and Lancashire	1,000	1,801	3,280	3,212	3,625	4,115	5,154
London Assurance	1,000	1,832	2,244	2,159	2,207	2,232	2,232
North British and Mercantile	1,000	1,338	2,862	2,934	3,368	3,822	4,968
Northern	1,000	2,067	1,948	1,683	1,736	1,746	2,179
Phoenix	1,000	1,429	1,700	1,778	1,740	1,725	2,063
Prudential	1,000	730	1,839	1,862	1,821	1,857	1,980
Royal Exchange	1,000	2,325	3,500	3,386	3,635	3,573	3,450
Royal	1,000	1,379	2,228	2,245	2,425	2,546	3,183
Scottish Life	1,000	1,129	1,853	1,736	1,933	1,834	2,270
Scottish Union and National	1,000	2,764	3,263	3,106	3,715	4,141	5,412
Sun Fire	1,000	1,159	1,607	1,627	1,933	2,169	2,773
Sun Life	1,000	645	1,602	1,733	1,708	1,814	2,257
Yorkshire	1,000	2,293	2,227	2,157	2,224	2,312	3,049
Average	1,000	1,721	2,500	2,439	2,692	2,866	3,488

¹ Caledonian, 1923:—£25 shares split into £5 shares. 1 new £5 share at 6 premium for each £25 share. ² Guardian, 1917:—£10 shares split into 2 £5 shares and 1 £4 pref. share each. ³ Commercial Union, 1927:—New shares £2 10s, offered in proportion of 1 share for each 5 held, at £16 per share. ⁴ Royal Exchange, 1927:—New shares £1, offered in proportion of 1 share for each £5 stock held at £6 10s per share.

Columns have been added to show the values as at December 30, 1927, and July 31, 1928. The figures are based on the mean between the highest and lowest prices in each year, except in the case of the last two columns, which relate to the middle market prices on the dates specified. It will be seen that the index as a whole shows a substantial rise in value during the past seven months. Of the 25 companies represented in the index, the shares of 22 have shown rises, two have exhibited falls, while one shows no change either way. The fall in the shares of the Gresham Fire is due to the fate which has overtaken its Canadian subsidiary, while the lack of resiliency in the shares of the London Assurance and Royal Exchange is due to the heavy marine losses disclosed in the 1927 accounts and, in the latter case, in particular to doubts as to the value of the company's latest acquisition, viz., the Motor Union. Of the companies whose shares show a rise in value, the General Accident is an outstanding case. The Equity and Law shares have risen 50 per cent. during the past seven months, mainly, no doubt, on the expectation of a wider market being created as the result of the decision to make the shares available to the general public, and to split them into smaller denominations.

Reinsurance Corporation.—This is another of the post-war reinsurance companies formed for the purpose of filling the void created by the withdrawal from the London market at the beginning of the war of the Continental, and especially of the German reinsurance companies. This particular company has the advantage of close association with two of the strongest of the composite offices, namely, the Royal Exchange and the Yorkshire. All classes of business are undertaken, but only two accounts are published, namely, the fire, accident and general account, and the marine account. Last year the premium income in the former account amounted to £467,221, with a profit equal to 5.1 per cent., compared with 7.1 per cent. in 1926, and 9.8 per cent. in 1925, thus showing a decline in each of the past two years. Incidentally we can see no justification for continuing the practice of lumping together in one account the transactions relating to fire business, and to accident and general business. In the circumstances it is impossible to judge whether the decline in profit has been due, as is likely, to the accident section of the account, or whether there have been undue losses in the fire section. There is a marine premium income of £131,979, and this has involved the company in a loss last year of £30,000, compared with a loss of £15,000 in the previous year. Even now the marine fund does not seem any too strong at 81 per cent. of the 1927 premium income. Taking into account the various items credited and debited in the profit and loss account, there was a total net trading loss in 1927 of £4,460, compared with a surplus in 1926 of

£12,298. The dividend has been maintained at 10 per cent., costing £15,250, and this compares with net interest earnings of £19,644.

Tariff Reinsurances, Limited.—It would appear from the 1927 report that this company is still sailing in troubled waters. The company was incorporated after the war for the purpose of providing reinsurance facilities, and, like others in that class, has had an unfortunate history. In 1926 a reorganisation took place, and the capital was reduced by writing 6s off the £1 shares with 15s paid up. In the same year it was announced that the Phoenix had secured a substantial interest in the company and representation on the board; and, further, that an arrangement had been come to whereby the Phoenix agreed in future to guarantee all the contracts of the company. Although the company transacts fire and general business, one account only is published. The 1927 premium income shows a very big jump from £180,685 to £317,243, but the experience has been unfavourable and has necessitated a transfer from profit and loss account of £7,902. Moreover, the additional reserve, which in 1926 stood at £5,000, has also been utilised for losses, so that the total deficit on the year's trading has amounted to £12,901, compared with a surplus in 1926 of £1,565. No dividend has been paid, and the company concludes the year with a net decrease in free surplus assets of £6,933. During the year the company has had to meet a call of £4,925 in respect of the remaining liability on the shares held in the City Fire Office, now defunct, and this amount has been added in the balance-sheet to cost of business acquired.

Tootal Broadhurst Lee.—Helped possibly by the appreciation in cotton values during the past twelve months, the Tootal Broadhurst Lee Company have succeeded in raising their trading profits to £115,290, this figure not only surpassing the £92,837 earned the previous year, when conditions were disturbed by the coal stoppage, but also the £114,947 earned in 1925-26. Net profits, on the other hand, at £101,492, were slightly below the £103,040 earned in 1925-26, this being due to an increase in interest charges. As the following table shows, the company has maintained a steady ordinary dividend of 10 per cent., less tax, the fluctuation in the margin available for dividends being met by corresponding increases and decreases in the amount carried forward. Taking the three years as a whole, there has been a net increase in this last item of about £22,000, which shows that the directors' dividend policy is justified:—

YEAR ENDED JUNE 30.

	1926.	1927.	1928.
Trading profit (less expenses and charges) ..	£ 114,947	£ 92,837	£ 115,290
Other receipts	20	11,966	25
Total gross income	114,967	104,803	115,315
Debt and loan interest	11,927	11,681	13,823
Total net income	103,040	93,122	101,492
Preference dividend	16,000	16,000	16,000
Ordinary			
(Earned per share	13.0%	11.5%	12.7%
Rate, "tax payable"	10%	10%	10%
Equivalent, "tax free"	8%	8%	8%
Amount of dividend	66,757	67,093	67,341
Undistributed profits	nil	20,000	10,000
(Added to reserves	20,283	9,971	8,151
(Inc. or dec. in carry forward	20,283	9,971	8,151

The latest balance-sheet reveals a thoroughly liquid position. Trade debtors stand at £801,000, stocks at £826,000, and gilt-edged investments at £299,339, making a total of £1,926,000, this excluding "other investments" amounting to £115,000. On the other side, loans amount to £63,000, creditors to £410,000, and bank overdraft to £19,000, or a total of £492,000. This leaves a margin of £1,434,000, and the chief comment called for is that the business is clearly one where a large amount of credit has to be extended and sought on both sides.

Sena Sugar Estates.—The comparative table of the results achieved by this company during the past three years shows that it is still engaged in recovering the heavy losses caused by the floods of 1925. In that year there was a net diminution in assets of £132,450, and during the two succeeding years only £92,163 has been recovered. If earnings continue at the rate of the two past years, the current year should see the lost ground finally regained. From the standpoint of the ordinary shareholder this suggests that while next year the directors may once more consider it advisable to conserve the company's financial resources, the dividend outlook for succeeding years should be much more hopeful. This view is confirmed by the balance-sheet, which reveals a moderate degree of liquidity, while the new development referred to below may conceivably permit of dividends being resumed as early as next year:—

YEAR ENDED DECEMBER 31.

	1925.	1926.	1927.
Gross trading profit	£ 8,593	£ 167,005	£ 212,818
Dividends, interest, and sundry credits ..	8,264	2,343	1,325
Total gross receipts	329	169,348	214,143
Total expenses	32,583	26,665	32,318
Income-tax and E.P.D.	925	6,000	7,000
Debt redemption	12,425	12,826	13,299
Debt and other interest	72,411	74,651	73,569
Total net income	118,673	49,206	87,957
Preference dividend	13,777	22,500	22,500
Ordinary			
(Earned	nil	2.22%	5.45%
(Paid	nil	nil	nil
Added to reserve	20,000	25,500	60,000
Inc. or dec. in carry forward	152,450	1,206	5,457

The current report alludes to the recent increase in the protection given by the Portuguese Government on sugar produced in the Portuguese colonies, which should materially stimulate the company's sales in Portugal. This increase occurred too late to affect the earnings for 1927, and this fact is of an encouraging character, as it fore-shadows a further expansion in profits during the current year. This is confirmed in the concluding section of the report, which states that this factor should more than compensate for the fall of £1 per ton in the price of raw sugar during the past twelve months. If the directors' hopes in this respect are realised, the ordinary shareholder may, as suggested above, possibly find himself in receipt of a small dividend at the end of the current year. The shares are quoted at 12s.

New Jagersfontein.—Last year this diamond enterprise fared less well than in the twelve months ended March 31, 1927, diamond sales amounting to £554,600 in place of £585,400. There was also a small falling off in sundry receipts, with the result that the net profit came out at £183,400, as against £217,200. Accordingly the dividends have had to be reduced, a total of 20 per cent. being paid in place of 27½ per cent. in respect of the four preceding periods, the reduced rate still entailing a moderate draft on the carry forward. Latter now figures at £41,300. A distinct change has taken place in the financial position. Debtors and cash now total £142,400, with liabilities for an almost corresponding total, whereas at the end of March, 1927, the debtors and cash stood at

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£296,800, and the creditors at £269,300. During the latest period 2,118,000 loads were washed, an expansion of about a quarter of a million on the total for the preceding year. The yield, however, was again down, and owing to the competition of alluvial stones lower average prices were received. Certain improvements are being made in the treatment plant, which should beneficially affect the output, although lately the latter has suffered from shortage of labour. It is announced that the company will take its quota in the much-discussed South African Diamond Factory, the funds being withdrawn from the £100,000 reserve which has been established. On the basis of 20 per cent. dividends the shares yield about 7 per cent.

NEW ISSUES OF THE WEEK.

No public issues were made this week. In view of the weak market which opened in a few of the recent speculative issues, it is clearly advisable for certain issuing houses to take a rest. The subscribing public, as we anticipated in our note last week, has already burned its fingers rather badly. It has lost heavily, for example, over the issue of French Phototone, Limited. It may be recalled that the British Phototone issue, made on July 18th, was promptly over-subscribed, and that after a lapse of twelve days subscribers were informed that only a small percentage of their applications could be allotted, but that they could apply on pink forms for the issue of French Phototone, Limited. The disappointed subscribers to British Phototone naturally expected that they would be generously treated if they applied for French Phototone, that another huge over-subscription would be announced, and dealings would start at a handsome premium. Dealings had begun on July 31st in British Phototone shares 3s paid at a premium of 2s 6d. The lists for French Phototone were promptly closed on August 1st. An ominous period of silence followed. Not till August 8th did dealings in French Phototone start, and subscribers, who indeed had been generously treated in the matter of allotments, found that their 5s shares, 3s paid, were quoted at a discount of 2s 9d. The public cannot complain. They responded to a gamble, and they lost their money. It is folly for anyone, who is not tired of money, to plunge into an issue of shares made by a company owning any untried invention. It is significant that this week an "introduction" was made of the shares of British Talking Pictures, Limited, which owns a sound or talking film invention that has already been tested, and that claims superior advantages to the invention promoted by British Phototone. British Phototone shares are now 1s 6d discount.

	Nominal Capital.	Cash Sub- scription.	First Payment.	Further Liability.
Amount previously recorded, 279,750,156.				

ISSUES OF THE WEEK.—

NATIONAL SAVINGS CERTIFICATES.
Net Sales, week ended August 4, 1928, Dr £250,000.
Total Receipts April 1, 1928, to August 4, 1928, Dr £950,000.
Nil.

To the public.—

To Shareholders only.—

Booth's Distilleries, 325,286 6½ % Cum. Pref. Ord. Shares of £1 each, at par ..	325,286	..	325,286	..	81,322	..	243,964
British Celanese, 356,000 Ord. Shares of 10s, at £3 per share ..	178,000	..	1,068,000	..	783,200	..	284,800
London Tin Syndicate, 100,000 Shares, of £1 each, at £3 5s per share ..	100,000	..	325,000	..	325,000	..	..
Romney Trust, £100,000 Ord. Stock, at 130 per cent.	100,000	..	130,000	..	130,000	..	..
Tin Selection Trust, 40,000 £1 Shares of the London Tin Syndicate, at £3 7s 6d per share ..	40,000	..	135,000	..	55,000	..	80,000
H. E. Randall, 37,581 Ord. Shrs., of £1 each, at 30s per share ..	37,581	..	56,371	..	18,790	..	37,581
Tronoh Mines, 100,000 Shares of 5s each, at 15s per share	25,000	..	75,000	..	75,000	..	..
Prang Besar Rubber Estate, 15,200 Ord. Shrs., of £1 each, at par ..	15,200	..	15,200	..	3,800	..	11,400
Total offered to shareholders	..	..	2,129,857	..	1,472,112	..	657,745

Total offered for subscription to date	Total offered for subscription for whole year—
1928	281,630,013
1927	236,887,550
1926	140,870,582
1925	127,376,142
1924	127,777,151
1923	202,020,317
1927	355,165,970
1926	230,782,608
1925	232,214,300
1924	209,326,100
1923	271,393,173
1922	573,875,650

Railway Traffic Figures, Short Notices on Company Reports, &c., will be found on later pages of this issue.

COMPANY MEETINGS, &c.

BANK OF NEW ZEALAND.

SOUND POSITION OF THE BANK.

IMPROVED OVERSEAS TRADE POSITION.

CHAIRMAN'S CONFIDENCE IN THE FUTURE OF NEW ZEALAND.

The ordinary general meeting of the proprietors of the Bank of New Zealand was held at the head office, Wellington, New Zealand, on Friday, June 15, 1928.

Sir George Elliott, chairman of directors, presided, and said:—

CAPITAL, RESERVE FUND, AND UNDIVIDED PROFITS.

The paid-up capital of the Bank now stands at £6,241,210. The difference between this amount and that shown on last year's balance-sheet, viz., £242,012, is explained by the payments made by shareholders on account of "long-term mortgage shares." In addition to this capital, there is the guaranteed stock of £529,988. The stock will mature in 1934, and it is the present intention of the directors to pay it off at its maturity.

The reserve fund, with the additions now proposed, plus £824 13s. 11d. premium received on fractions of and unallotted D. long-term mortgage shares sold by tender, will amount to £3,150,000, and the balance of undivided profits, after payment of the dividend, will be £582,525.

These items, capital, reserve fund, and undivided profits, total £10,503,723. This large amount must bring to depositors and other creditors a comfortable assurance of the great stability of the bank.

PROFIT AND LOSS ACCOUNT.

The profits for the year have been swollen by £73,510 surplus on realisation, or on maturity, of Government and other investment stocks. The actual net earnings from the ordinary business and the long-term mortgage department are £5,793 less than the previous year, notwithstanding the fact that the bank has had the use of an extra average amount of £403,235 new long-term mortgage capital. This falling-off of profits is due to a reduction in advances, to increased payments of interest on deposits, and to increased operating expenses.

Taking into consideration the heavy losses sustained by the Bank of New Zealand since 1920, occasioned by circumstances beyond the control of the directors, it is safe to say the balance-sheet presented to you to-day would not have been such pleasant reading had ample provision not been made in the past for contingencies that might arise.

It has again been considered advisable to make considerable provision for doubtful advances, but it is hoped that a fair proportion of the provision so made will ultimately not be required.

DEPOSITS.

There has been an increase in interest-bearing deposits of	£ 1,279,604
Whilst non-interest bearing deposits decreased	604,595
The net increase for the year being	675,009

CASH AND READILY-REALISABLE ASSETS, INCLUDING INVESTMENTS IN GOVERNMENT AND MUNICIPAL SECURITIES.

These items amount to £24,548,227, almost one-half of the total assets of the bank. It may be remarked here that the market value of the bank's investments is substantially above book value.

ADVANCES AND BILLS DISCOUNTED.

This item shows a reduction of £1,176,760, due partly to the reduced imports, and partly to the increased revenue of our farming customers.

An impression appears to have gained ground that the bank has been restricting credit; there is no foundation for such an impression.

BOARD OF DIRECTORS.

The two directors appointed by the Government due to retire in March last were Mr William Reece and myself, both of whom the Government has seen fit to reappoint.

Mr R. W. Gibbs' term of office as a shareholders' director also expired in March last, and I have much pleasure in stating that he has been duly re-elected.

LONDON BOARD.

It is with the deepest regret I have to record the death of Mr

Frederic Lubbock, who for many years was the able and valued chairman of the London board.

His was a name respected and honoured throughout the City of London, while the fineness of his character and his winning personality endeared him to all whose lives touched his with any degree of intimacy. His death is a distinct loss to the Bank of New Zealand.

Mr. Alex. Michie, an old officer of the bank, at one time its general manager, has been appointed chairman of the London board. From his intimate knowledge of the affairs of the bank at this end, and his long association with the board in London, Mr Michie should be a worthy successor to the position occupied by the late Mr Lubbock.

RATE OF INTEREST ON ADVANCES.

Banks were much criticised when the minimum rate of interest on advances was increased in May of last year—an action rendered necessary by the position into which the banks were getting. It is true that the advances of all the banks in New Zealand had increased considerably; it is also true that the imports for the years ended March 31, 1926 and 1927, were much in excess of exports; but neither of these factors, important as they are from a banker's point of view, was the chief reason why the overdraft rate was raised. The determining cause was the intense competition, Governmental and private, for deposits.

This competition had seriously affected the position of banks, which were reluctantly compelled to raise the deposit rate, not only in order to hold the deposits they already had, but also to stimulate and encourage a fresh supply, and so attain a proper and adequate adjustment of deposits in relation to advances.

The natural sequence to a rise in the deposit rate is a rise in the advance rate—this, of course, in the pursuit of that perfect balance so much desired, but never attained, by bankers.

It will be readily admitted that banks carry on a highly important function in the community; so woven are they into the woof and warp of a nation's life that anything that affects them affects every member of that nation, directly or indirectly. It seems, therefore, to me of the utmost importance that banks and governments should be in the closest relationship one with the other; and more especially is this true of the Government of New Zealand and the Bank of New Zealand, because the Government owns one-third of the capital of the bank.

The position just about the time rates were raised a year ago was as follows:—

Advances by all the banks trading in New Zealand amounted to	£ 50,801,000
While deposits, free and fixed, amounted to	45,529,000
The position when the figures were last published was:—	
Advances	46,070,000
Deposits	49,958,000
It will be seen that in one year the banking position of the Dominion has improved by	9,160,000

During the past few months there has been much agitation for a reduction of the bank advance rates, and, in view of the figures I have quoted, there would appear to be some justification for this agitation. I would point out, however, that to lower rates before the position becomes stabilised might eventually be more upsetting than to keep them for a little longer at the level ruling at present. If, as a result of such lowering, the demand for advances increased unduly, or deposits were reduced, the same position as existed a year ago would quickly develop, and the same remedy would again require to be applied. Rapid fluctuations in Bank rates is not a desirable state of affairs for any country, and it is to avoid such a contingency that the present rates are being maintained somewhat longer than some people think necessary.

The banks are necessarily in the best position to know what the actual present economic and financial position is, and what its future is likely to be; they would be false to their trust if, against their better judgment, they allowed themselves to be stampeded into doing something that would not, in their opinion and with their knowledge, be in the best interest of all concerned. May I emphasise the fact that high rates of interest are not a

advantage to the banks; borrowing customers may rest assured that their bank directors will be just as pleased as they themselves when the position warrants a reduction.

The world is slowly—very slowly—returning to normal conditions, and, unless something unforeseen happens, it looks as if interest rates everywhere will have a downward tendency in the near future. Heavy taxation rendered necessary by the war is one of the principal factors in retarding a fall; reduction of taxation would help much towards a more desirable state of things.

ADVANTAGES OF REDUCTION OF INTEREST RATES.

With the outstanding exception of the United States, which, as a result of the sudden highly lucrative trade that developed during the war, has become the greatest creditor nation, it would be to the advantage of almost every country if a permanent reduction of interest rates were brought about, not only because of the benefit that would accrue in connection with their public debts, but for the aid cheap money would give to their industrial and agricultural activities.

COMPARISON OF RATES OF INTEREST EARNED.

The chief auditor has supplied the following figures showing the rate of interest earned by this bank on its interest-bearing advances in the Dominion for the years ended March 31, 1897, 1907, 1914, 1917, 1927. (The figures for 1928 have not yet been worked out.)

1897	1907	1914	1917	1927
6.56	5.79	6.00	6.00	6.67

It will be seen that the difference between the highest and lowest point is less than 1 per cent. Remembering the heavy increase in income-tax, salaries, and other overhead expenses of the Bank between 1907 and 1927, one may recognise that the bank has not passed on to its borrowing customers a proportionate share of its increased operating charges. The desirability of cheap money must indeed be emphasised; but in New Zealand, at least, it is not the panacea for all financial ills that many writers and public speakers endeavour to make out. In London the raising of the Bank rate has no doubt a decidedly depressing influence, for while the world may be on a dollar basis, as the Rt. Hon. Mr McKenna, chairman of directors of the Midland Bank, pointed out at the last annual meeting of his shareholders, London is still a great, if not the greatest, financial centre, and a rise in interest rates is of vital importance to the great financial and bill-broking houses there—whose huge operations cover the trade of the world—many of which houses work on a margin of an eighth or even a sixteenth of one per cent.; but a rise in interest rates has no such devastating effect on a country like New Zealand. It may be inconvenient, but it is not vital. After an investigation into the individual losses made by the Bank during the year, I am satisfied that by no stretch of imagination could these losses in any single instance be attributed to the payment by the borrower of high interest charges. I will go further and say that, had such borrowers paid 4 per cent. for their financial accommodation instead of 7, the result in every case would have been the same. It may have been one of the subsidiary causes of a man's financial downfall, but it was not the primary cause. The primary cause may have been a heavy fall in land values, a drop in the price of stock, over-speculation on the eve of a falling market, an unforeseen change of conditions, or the acquisition of a greater area of land than was warranted by the owner's capital.

LONG-TERM MORTGAGE DEPARTMENT.

The amount so far lent on long-term mortgage is not as large as was anticipated, but the operations of the department are steadily growing. The amount current on 21st ult. was £330,461, and further commitments to lend nearly £100,000 have been entered into. Many applications have been declined, the security offered either not affording the requisite margin or being of an unsatisfactory nature. The bank is in a position to lend a large amount under the scheme, and it welcomes suitable applications; but shareholders may rest assured that there is not the slightest intention of taking up risky business. Borrowers who want a low rate of interest must give first-class security.

RURAL CREDIT.

In connection with the Rural Advances Act passed in 1926, the advances to settlers department recently issued a £400,000 19-year 5 per cent. loan at 9½. Although the issue was fully subscribed, the support expected from farmers, many of whom are in a position to subscribe, was negligible. This bank applied for and took up a large proportion of the issue.

RURAL INTERMEDIATE CREDIT.

Last session Parliament passed a measure empowering the establishment of a Rural Intermediate Credit Board for the purpose of making loans to farmers on the security of farm produce and live stock. The measure is a well-meaning attempt to meet a

difficult position, viz., the financial necessities of farmers who have not sufficient satisfactory security to enable them to borrow through the ordinary channels.

The Government is lending the board £400,000 free of interest for ten years, and it is also extending other cash privileges.

Any scheme that will help the farming industry is most worthy of support; it is, therefore, to be hoped that the public, and particularly farmers who are in a position to do so, will assist the movement by taking up these bonds as they are issued.

I may say the Bank of New Zealand will gladly render every assistance to the Intermediate Credit Board that lies in its power, financial or otherwise.

It has been suggested that Government should consider the advisability of exempting from income-tax all revenue derived from mortgages on farm lands and advances against the security of farm stock and produce.

If such a course were followed it would mean, of course, that the loss of revenue from one section of taxpayers would require to be made up by the others. Nevertheless, the suggestion is worthy of careful consideration.

The New Zealand Government, as lessor of Crown lands, has done much to meet the misfortune of its tenants by concessions of rent, &c., but whether enough has yet been done in this way is a matter of speculation.

No settler is so much entitled to consideration as he who sets out to bring virgin land into productiveness, and few taxpayers will complain of a maximum of consideration being extended to him by the State, either by reduction of rent or by loans through the Rural Intermediate Credit Board.

Fortunately the great majority of New Zealand farmers are not impecunious. As a matter of fact, it is doubtful if even 10 per cent. of them are in that condition at the present moment. Many, especially those who acquired their farms before the war, are now doing, and have been doing all along, particularly well.

EDUCATION AND UNEMPLOYMENT.

There has been considerable unemployment during the year, and notwithstanding many efforts and much expenditure on the part of Government, local bodies, and private individuals, a difficult position has been alleviated, but by no means overcome.

The official year-book tells us that, according to the last census of 1921, the total number of breadwinners in the Dominion numbered 533,000, and of that number 152,000 were engaged in primary production. It also tells us that, according to the latest available figures, 1925-26, the total production for the year amounted to £116,000,000. To this total primary producers contributed £82,000,000, and the product of factories, building operations, and labourers' work contributed £34,000,000.

It thus appears that primary producers, being less than one-third of the breadwinners, contributed more than two-thirds towards the National wealth, while the two-thirds engaged in all other occupations contributed less than one-third.

OVERSEAS TRADE.

The overseas trade of the Dominion for the last four years has been as follows:—

Year ending March 31st.	Imports.	Exports.
	£	£
1925	49,821,095	54,771,158
1926	53,025,856	48,697,587
1927	48,192,670	45,682,338
1928	44,419,357	54,962,031

THE WORLD'S WOOL PRODUCTION.

The National Association of Wool Manufacturers in the United States of America publish an annual estimate of the world's wool production. The figures are, of course, only an estimate, though compiled from the best available sources.

The estimate, as published in Dalgety's Annual Wool Review for years 1925-26 and 1926-27 is as follows:—

Wool.	World Total.	Australia.	New Zealand.
Review of	Lbs.	Lbs.	Lbs.
1925-26	2,826,498,200	672,483,000	208,260,000
1926-27	3,022,289,000	768,000,000	207,801,000

The figures for Australia and New Zealand are for the year preceding that of the Wool Review in which they appeared.

The world figures are compiled from returns dated, in most cases, two years prior to the date of the Review in which they appeared.

The estimate is, of course, for total wool production, and includes the amount utilised in local consumption and the balance exported (if any).

The amount of wool produced in New Zealand for 1927-28 is about 100,000 bales greater than that of the previous year,

and in value £16,691,385, compared with £11,915,781 for 1926-27. When I was in the Old Country last year I visited Bradford, and learned that stocks of wool had not been so low for many years. The majority of the manufacturers were living, as one might say, from hand to mouth, and there was little wool in brokers' stores. This state of affairs implies that the huge stocks accumulated towards the end of the war period, and for some time after, had been absorbed. It also, I think, implies that wool growers should have a prosperous time for some years to come.

The total sheep and lambs' wool imported into the United Kingdom for the year ended December 31, 1927, was 822,546,000 lbs, valued at £59,796,552, of which the importations from New Zealand were 190,476,700 lbs, valued at £13,974,400.

BEEF AND MUTTON.

The total amount of frozen beef and mutton imported into the United Kingdom for the year ended December 31, 1927, was:—

	Cwts.	£
Frozen beef	2,999,980	valued at 6,614,848
Frozen mutton and lamb	5,523,356	„ 17,472,395

	Cwts.	£
Frozen beef	330,862	valued at 640,735
Frozen mutton and lamb	2,737,318	„ 9,664,346

Of the above, New Zealand's share was:—

The consumption of New Zealand frozen mutton and lamb, especially lamb, is increasing. I think it is safe to say that of all the frozen lamb handled at Smithfield, London, the lamb from New Zealand tops the market, and is in a class by itself. It behoves our growers jealously to guard this fine reputation, and to leave nothing undone that may tend to maintain and improve it.

BUTTER AND CHEESE.

The total butter and cheese imported into Great Britain for the year ended March 31st last amounted to 6,165,796 and 2,988,167 cwts respectively. Of this amount, New Zealand supplied 1,459,060 cwts of butter and 1,698,068 cwts of cheese.

In view of the altered policy now adopted relative to the marketing of these products, there is every reason to believe that the British market should absorb, at remunerative prices, an annually increasing amount of butter and cheese, provided the quality is kept up to the highest standard.

THE OUTLOOK.

The period under review has not been free from difficulties. In business, particularly wholesale business, it has too often been found impossible to earn an adequate return on capital.

The times are in flux; conditions are changing, competition has proved too keen for some; unemployment has been rife, but there are undoubted signs of better things to come.

In view of the fact, as I have already indicated, that we in New Zealand depend for our material prosperity on our export trade in primary products; taking into consideration the prices those primary products are now fetching on the world's market, and seem likely to continue fetching; and with the knowledge of the exceedingly satisfactory trade balance disclosed by the recent Governmental figures for the year ended March last, may I assert that he must be a pessimist indeed who feels it necessary to take a gloomy view of the present position of the country?

I have now pleasure in proposing the adoption of the report and balance-sheet.

Mr William Watson said:—

I have pleasure in seconding the motion for the adoption of the report and balance-sheet, and congratulate you on the very sound position of the bank.

The motion was carried unanimously.

Sir Robert Stout, referring to the suggestion made in some quarters regarding the establishment of a State bank, said that such a proposal seemed to him peculiar, in view of the present position, and the fact that the Government appointed four out of the six directors, also the London and New Zealand auditors.

Commenting on the complaints as to the high rates of interest on mortgages, Sir Robert pointed out that when he came to New Zealand over 64 years ago, the rate on mortgages—he alluded specially to pastoral tenants—was 17½ per cent., and it was many years before the rate of interest fell to 10 per cent.

Mr Richard W. Gibbs, in returning thanks for his re-election as a shareholders' director, said he appreciated very much their confidence in confirming his appointment for a further period.

A vote of thanks to the directors, general manager, and staff was proposed by the Hon. T. Shailer Weston, M.L.C., and carried with acclamation, and after the chairman and general manager had replied the proceedings terminated.

BISICHI TIN COMPANY (NIGERIA), LIMITED.

CHAIRMAN OPTIMISTIC OF THE FUTURE.

The seventeenth annual general meeting of the Bisichi Tin Co. (Nigeria), Limited, was held, on the 7th instant, at Cannon street Hotel, London, Mr James Gardiner (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that, with a reduced production and a lower price for tin, they could not well show a profit, and, as a matter of fact, after allowance for depreciation and reserve for income-tax, there was a loss of £6,861 on the year's operations, which reduced the amount at credit of profit and loss account to £22,204. The steam shovels were now running efficiently, and their monthly outputs should be materially increased, and they could look forward to a successful period.

In common with all tin-winning companies their results were very much governed by the prevailing price of tin. The board believed that the advice given them to the effect that even at to-day's prices they could win tin at a reasonable profit was correct, and now that up-to-date machinery had been installed their working costs should compare favourably with those obtained elsewhere in Nigeria.

They had not published the engineer's report this year, not because there was anything in it which required to be concealed, but merely owing to the fact that they were in a transition period. Messrs. Lake and Currie had resigned their position as consulting engineers, and the new manager, Mr Herbert Wilson, had only been on the mine during the last few weeks, and the board felt in the circumstances it would be well to await a full report from him. Messrs. Lake and Currie's report confirmed what was stated last year, that certain of their areas were reaching the period when no further output could be obtained, but that in Lease 1,060 they had a property which was probably better than any other known deposit in Nigeria, and that they might reasonably expect to discover further new deposits in some portions of their remaining large areas which so far had not been developed. His opinion was that the Bisichi Company was in an excellent position, and that they were on the eve of really good results. If the price of tin would only be kind to them during the ensuing twelve months, they should certainly be in a position to recommend dividends. The report and accounts were adopted.

WARING AND GILLOW, LIMITED.

SUCCESSFUL YEAR—LARGE FOREIGN CONTRACTS.

The annual general meeting of Waring and Gillow, Limited, was held, on the 3rd instant, at 164-182, Oxford street, London, Lord Waring (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, first referred to the company's prosperous trading during the past year, and said that the profit shown was the highly gratifying figure of £219,801, out of which it was proposed to pay a dividend of 10 per cent. on the ordinary shares. His Lordship proceeded to deal with the future development of the company, and said that foreign contracts to the amount of over £750,000 had recently been secured.

Their factories, with their up-to-date equipment and enlarged premises, had enabled them successfully to compete with the greatest foreign firms in the world, and three international contracts of world-wide importance had been secured.

He was a firm believer in our historical styles and that they would never be supplanted, but he was bound to admit that the time had arrived after a lapse of something like 100 years to show that they were not destitute of originality, but were capable of producing a new style suited to the requirements and conditions of the age—a style which would be characterised by simplicity of form, fine proportions, beautiful modern woods and harmonious colouring in decoration, and which in time to come might be known to posterity as the George V. period.

They proposed shortly to hold an exhibition where a complete suite of apartments would be shown, designed by M. Paul Follot, who was probably the greatest modern art authority in France, and who was associated with their Paris House. In immediate proximity they would also show an exhibition of modern art as designed in England by the company's studios and manufactured in their factories. In arriving at this new style they would show the influence that the productions of Waring and Gillow had had in helping to form this new style. Next year they proposed to show by an exhibition what the influence of the House of Gillow had been in the way of producing fine workmanship and the development of furniture in the past 200 years. It was hoped to show in a practical fashion the reason why they believed that the furniture supplied by Waring and Gillow should justly be called "The antiques of the future."

The report and accounts were unanimously adopted.

COMPAGNIE ARAMAYO DE MINES EN BOLIVIE

(Aramayo Mines in Bolivia Company).

CONTRACT WITH MESSRS GUGGENHEIM ADOPTED.

CHAIRMAN'S EXPLANATION OF ARRANGEMENT.

An extraordinary general meeting of Cie. Aramayo de Mines en Bolivie was held at the company's offices, 16 Quai de la Poste, Geneva, on Thursday, August 2, 1928.

Mr Albert Charpentier, who presided, asked the meeting to excuse the absence of the chairman of the company, Mr Carlos V. Aramayo, who, owing to indisposition, regretted that he was unable to preside at this meeting.

The Chairman then read the following report:—

Ladies and Gentlemen,—You are going to be asked to give your approval to a contract by virtue of which the firm of Guggenheim Brothers, of New York, will assume the technical management of our mining properties for a term of ten years. Such a departure from our past methods and traditions may come as a surprise to many of you. I will endeavour to give you the reasons which have moved the board to entertain the change, and to recommend that you should ratify it.

Since 1918 the firm of Guggenheim has been interested in tin mining in Bolivia. In 1925 we were approached by them with a view to the possible negotiation of our Chocaya property. We were not willing to consider the sale of any of our properties separately, but after continued conversations with this firm, and a very careful study of the situation by ourselves, we agreed that a scheme might be worked out by which the firm would purchase from the company a minority interest in all of our mining properties, leaving the general conduct of affairs in our hands, but they themselves assuming the technical management.

During my visit to New York in April of this year the conditions of such a contract were discussed and an agreement was reached. Unfortunately, it was subsequently found, when our lawyers attempted to give legal form to the deal, that the different duties to be paid in Switzerland and, more especially, in Bolivia, were so onerous as to detract considerably from the advantages of the scheme. It was, therefore, abandoned, and the present simple managing contract was evolved in its stead.

POWERFUL AND EFFICIENT ORGANISATION.

The main advantage of the present agreement lies, of course, in the fact that in the future the management of our properties will be entrusted to what is probably the most powerful and the most efficient mining organisation in the world.

For over half a century we have preferred to manage our own affairs; and the gradual growth of our company and its present prosperity are proof enough that our management has been a highly successful one. Indeed, it is not easy to find appropriate words in which to acknowledge the unwearying effort, the patience and the technical competence with which men like Mr Malcolm Roberts, and others of our present staff, have toiled in our service; and it is gratifying to think that all of them will continue to work in with the new administration. But times and circumstances change. The days of high-grade mining are becoming a thing of the past in Bolivia, as they have elsewhere. At the same time, the calls of the State upon the miner are growing more and more exacting. These two factors—low-grade mining and high taxation—can only be met by increasing the tonnage of ore mined, and by exacting the very highest standard of efficiency at every stage of the process, from the mine to the market.

In order to achieve such efficiency we must, in the first place, depend upon a much larger staff than our present one, and, secondly, upon cheaper shipping and marketing facilities. Those who, anywhere at all, have attempted to organise adequate mining staffs well know the incredible difficulties which arise in the process, and will all the more readily appreciate the inestimable advantage of being able to draw upon such a body of men as are employed in the various mining enterprises of Guggenheim Bros. throughout the world, and more particularly in Bolivia, where they have already acquired first-hand knowledge and experience of the peculiar local conditions.

It should be noted in this connection that the services of Mr Graham, who is in charge of all the Guggenheim interests in Bolivia, will be assured to us, and that his remuneration will be included in the commission that the company will pay to this firm for its management. This commission will also include all overhead expenses, such as those for the services of the firm's partners and staff at New York; the work of the firm's laboratory where research upon our ores is already being carried out; the sale of our products, the purchase of all machinery, stores and warehouse stocks, the supervision of all shippers and agents handling our

goods throughout the world. It should be observed in this connection that Messrs Guggenheim Bros. have specially favourable railway and maritime contracts, to which we ourselves cannot aspire because of our relatively low cargo tonnage, but which now will be extended to us.

ADVANTAGES OF THE CONTRACT.

In return for their services and for the various advantages which they have to offer Messrs Guggenheim Bros. will receive a commission of 12½ per cent. on operating profits calculated on an agreed basis that has been studied by our chartered accountants. But it must be remembered, in weighing the advantages and disadvantages of this contract, that, against the firm's remuneration must be set off those sums of money which we now pay away as commissions on the sales of minerals, on the purchase of stores and machinery, and on the handling of goods by shippers and agents. These alone reach a very considerable amount. And, in addition to this, we calculate, of course, that the improvement in our general efficiency and the consequent reduction in our cost price will more than counterbalance the increase in our managing charges. It is evident, for instance, that a small improvement in the percentage of recovery of tin at the mills will alone justify, from a financial point of view, the contemplated change. And if, through the industry of the firm's geologists, new mineral deposits can be discovered and opened up; or if, through the research of the firm's laboratory, effective methods can be devised for the treating of some of our refractory ores, at present unpayable, then the advantages of the proposed agreement become very positive indeed.

NEW ERA OF PROSPERITY.

It is, therefore, without hesitation that I ask you to approve the contract that is before you. I am confident that its ratification will mark the beginning of a new era of prosperity for our company. The conduct of the company's general policy and of all financial matters will remain with the board, and I consider that the combination of these two organisations cannot fail to give the happiest results.

I wish to add one more point for your information; and it is that the firm, after the conditions of the present agreement had been stipulated, spontaneously offered to buy a certain number of ordinary shares of the company so that it might not be said that they were being entrusted with the management of a property in which they had no actual stake. I considered their attitude very justifiable, and it was agreed that they should purchase 70,000 shares at the current market price.

AGREEMENT APPROVED.

The Chairman placed at the disposition of the meeting a copy of the agreement made with Messrs. Guggenheim Bros., July 19, 1928.

There being no discussion, the first resolution, as follows, was passed unanimously:—

That the said agreement be and is hereby ratified and adopted.

By a second resolution the meeting decided to modify, as follows, Articles 42 and 53 of the Articles of Association:—

Article 42 (new). The services of the board are remunerated by a fee, the amount of which is submitted to the approval of the general meeting, and which is maintained at the sum fixed as long as the meeting does not decide otherwise.

This fee is divided between the members of the board in such proportion as they themselves may determine, in default whereof it shall be divided in equal shares between the directors.

Article 53 (new). The managing director receives, in addition to the fees to which he may be entitled as director and the repayment of travelling and hotel expenses as may be involved in the execution of his duties, a remuneration, the amount of which is submitted to the approval of the general meeting and which is maintained at the sum fixed as long as the meeting does not decide otherwise.

The meeting then decided, in order to comply with the wish expressed by the shareholders at the last ordinary general meeting of the company to carry into effect the resolution now taken, that the remuneration of the managing director be increased to 100,000 francs per annum.

At the same time the directors fees were fixed at the round sum of 25,000 francs.

These two decisions to take effect as from July 1, 1928.

The proceedings then terminated.

GOVERNMENT RETURNS, &c.

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.					
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.	Government Securities.	Balance at Bank of England.
1924.								
Mar. 25.	281,538	11,908	7,000	27,000	22,450	17.6	236,867	130
June 24.	290,318	12,472	7,000	27,000	22,450	17.0	246,198	140
Sept. 21.	285,592	12,227	7,000	27,000	22,450	17.3	241,185	184
Dec. 31.	296,261	12,812	7,000	27,000	26,950	18.2	248,111	132
1925.								
Mar. 25.	284,256	11,882	7,000	27,000	26,950	18.9	235,078	112
June 24.	292,278	12,265	7,000	27,000	26,950	18.5	243,474	119
Sept. 30.	293,004	12,555	7,000	27,000	26,950	19.1	242,188	121
Dec. 30.	296,777	12,561	7,000	27,000	26,950	18.9	245,896	192
1926.								
Mar. 31.	295,337	12,228	6,550	27,000	26,250	19.0	244,585	178
June 30.	294,036	12,567	6,550	27,000	26,250	19.1	243,687	136
Sept. 29.	287,858	12,295	6,300	27,000	26,250	19.5	237,467	136
Dec. 29.	296,461	12,457	6,300	27,000	26,250	18.9	246,248	119
1927.								
Mar. 30.	288,067	11,882	5,550	27,000	26,250	19.5	237,913	135
June 29.	298,260	12,812	5,550	27,000	26,250	18.8	249,067	105
Sept. 28.	294,798	12,752	5,550	27,000	26,250	19.0	248,424	226
Dec. 28.	299,791	12,904	5,550	27,000	26,250	18.8	250,662	133
1928.								
Mar. 28.	289,508	12,515	5,500	27,000	26,250	19.4	240,241	132
June 27.	296,030	12,404	5,400	27,000	26,250	19.0	246,606	178
Aug. 1.	297,647	12,704	5,400	27,000	26,250	18.9	248,515	186
Aug. 8.	300,819	12,458	5,400	27,000	26,250	18.7	251,456	171

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,000, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £246,190,900, for 1925 at £248,145,400, for 1926 at £247,902,500, for 1927 at £246,011,000, and for 1928, at £244,935,100.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1928-29.	Total Receipts into the Exchequer from April 1, 1928, to April 1, 1927, to Aug. 6, 1927.		Week Ended Aug. 4, 1928.	Week Ended Aug. 6, 1927.
		£	£		
Balances in Exchequer on 1st April—					
Bank of England ..	..	5,918,513	6,003,023	..	..
Bank of Ireland ..	..	404,112	456,633	..	..
..	..	6,322,625	6,459,656	..	..
ORDINARY REVENUE.					
Inland Revenue—					
Property and Income Tax ..	232,900,000	37,038,000	50,085,000	4,938,000	6,087,000
Super-Tax ..	60,000,000	9,670,000	12,530,000	310,000	410,000
Estate, &c., Duties ..	72,000,000	26,720,000	22,540,000	1,110,000	1,180,000
Stamps ..	28,000,000	8,590,000	6,500,000	900,000	230,000
Excess Profits Duties, &c. ..	1,000,000	..	..	..	..
Corporation Profits Tax ..	1,500,000	250,000	710,000	40,000	30,000
Land Tax, House Duty and Mineral Rights Duty ..	850,000	140,000	110,000	..	..
Total Inland Revenue ..	396,250,000	82,468,000	92,475,000	7,798,000	7,937,000
Customs and Excise—					
Customs ..	120,637,000	37,718,000	37,769,000	2,196,000	2,061,000
Excise ..	140,768,000	42,627,000	44,143,000	922,000	875,000
Total Customs & Excise ..	261,405,000	80,345,000	81,912,000	3,118,000	2,936,000
Motor Vehicle Duties (Exchequer Share) ..	4,400,000	1,454,000	3,054,419	1,087,000	1,037,000
Post Office (Net Receipts) ..	3,850,000	2,950,000	2,950,000	1,110,000	850,000
Crown Lands ..	1,100,000	430,000	430,000	..	..
Receipts from Sundry Loans ..	27,650,000	8,240,473	6,824,280	72,610	73,469
Miscellaneous: Ordinary Receipts ..	13,550,000	3,719,888	4,959,006	376,825	1,853,219
Miscellaneous: Special Receipts ..	40,362,000	7,030,219	9,748,978	1,300,000	950,000
Total Ordinary Revenue ..	752,903,000	187,537,580	202,353,663	14,332,436	15,634,688
SELF-BALANCING REVENUE.					
Post Office ..	57,314,000	18,600,000	18,500,000	800,000	750,000
Motor Vehicle Duties apportioned to Road Fund ..	21,300,000	5,413,000	3,343,581	..	..
Total Self-Balancing Revenue ..	78,614,000	24,013,000	21,843,581	800,000	750,000
OTHER RECEIPTS.					
Temporary Advances Repaid—					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	..	..	..	..	..
Under the Unemployment Insurance Acts, 1921 ..	714,432	2,828,000	..	..	..
Money Raised by Creation of Debt—					
(a) For Capital Expenditure Issues: Under the Telegraph (Money) Act, 1925 ..	2,550,000	2,500,000	..	..	..
(b) Under the Unemployment Insurance Acts, 1921 ..	2,070,000	960,000	240,000	..	..
(c) For other Issues: By Treasury Bills ..	823,485,000	852,080,000	53,182,000	52,283,000	..
By 4% Consolidated Loan ..	13,800,000	12,000,000	600,000	550,000	..
By National Savings Certificates ..	10	..	..	..	..
By 5% Treasury Bonds, 1933-35 ..	58,235,113	..	..	..	..
(d) Ways and Means Advances—					
Repayments—					
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921 ..	53,273	55,007	9,578	11,471	..
Total ..	£ 1,342,831,033	£ 1,352,276,663	£ 71,364,013	£ 74,079,159	..

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1928-29 (including Supplementary Grants).	Total Issues out of the Exchequer to Meet Payments from Apr. 1, 1928, to Apr. 1, 1927, to Aug. 4, 1928.		Issues.	
		£	£	Week Ended Aug. 4, 1928.	Week Ended Aug. 6, 1927.
ORDINARY EXPENDITURE.					
Interest & Management of National Debt ..	304,000,000	139,949,649	134,665,792	14,607,156	8,576,540
Payments to Local Taxation Accounts ..	14,200,000	2,008,773	1,889,975	559,102	..
Payments to Northern Ireland Exchequer ..	5,600,000	1,329,798	1,387,763	163,429	75,000
Other Consolidated Fund Services ..	2,600,000	777,148	1,257,142	54,099	21,287
Supply Services (excluding Post Office) ..	350,192,000	112,618,500	117,473,300	9,566,000	8,338,000
Total Ordinary Expenditure ..	676,592,000	256,683,868	256,673,972	24,949,786	17,010,827
Sinking Fund ..	65,000,000	20,289,492	12,956,305	510,101	470,000
SELF-BALANCING EXPENDITURE.					
Post Office ..	57,314,000	18,600,000	18,500,000	800,000	750,000
Road Fund ..	21,300,000	5,413,000	3,343,581	..	..
Total Self-balancing Expenditure ..	78,614,000	24,013,000	21,843,581	800,000	750,000
OTHER ISSUES.					
Temporary Advances—					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	18,458	18,458	..	..	..
Under the Unemployment Insurance Acts, 1921 ..	2,070,000	960,000	240,000	..	..
Issues to Meet Capital Expenditure—					
Under the Telegraph (Money) Act, 1925 ..	3,350,000	3,200,000	..	..	..
Unemployment Insurance Acts, 1921—					
Repayment of Amounts Borrowed Redemption of Debt—					
Treasury Bills ..	744,105,000	838,970,000	41,205,000	47,070,000	..
Principal of National Savings Certificates ..	14,750,000	13,500,000	850,000	650,000	..
Principal of National War Bonds paid off ..	46,786,305	..	..	..	..
Other Debt under the War Loan Acts, 1914 to 1919 ..	3,341,000	..	..	..	..
Ways and Means Advances Repaid ..	224,150,000	198,801,000	3,200,000	8,050,000	..
Old Sinking Fund, 1907-08—					
Issued under Section 9 of the Finance Act, 1908 ..	1,000	1,000	..	..	..
Balances in Exchequer—					
Bank of England ..	2,078,049	2,007,894	15,182	78,715	..
Bank of Ireland ..	480,433	517,453	406,056	157,047	..
Total ..	2,558,482	2,525,347	390,874	78,332	..
Treasury, August 7, 1928.					

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1924.	Mar. 31, 1925.	Mar. 31, 1926.	Mar. 31, 1927.	Dec. 31, 1927.	Mar. 31, 1928.	Aug. 4, 1928.
2½% and 2½% Consols ..	573	300	300	300	300	300	300	300	300
Other Funded Debt ..	15	15	14	14	14	14	14	14	14
Term Annuities ..	30	20	14	13	13	12	12	12	12
4% Consolidated Loan ..	..	..	..	166	207	204	204	204	204
3½% Conversion Loan ..	..	666	709	760	740	832	832	832	832
4% Conversion Loan ..	..	..	210	211	211	211	211	211	211
4½% War Stock ..	63	63	63	63	63	63	63	63	63
4% War Stock ..	13	13	13	13	13	13	13	13	13
4% and 5% War Stock ..	2,047	2,166	2,052	2,109	2,154	2,253	2,253	2,253	2,253
National War Bonds ..	1,509	820	776	706	556	430	194	146	146
4% Funding Loan ..	409	396	394	390	389	389	385	385	385
4% Victory Bonds ..	360	314	303	292	277	277	260	260	260
Treasury Bonds ..	20	223	457	499	482	454	518	675	733
Exchequer Bonds ..	..	267	365	369	375	372	370	363	362
National Savings Certs. ..	..	1,306	1,128	1,124	1,111	1,103	1,103	1,097	1,094
Other Debt*	..	..	..	..	..	..	..	..	..
American Loan (Anglo-French) ..	15	51	588	576	565	599	651	527	606
Treasury Bills ..	1	243	186	167	139	117	174	162	161
Temporary Advances ..	654	8,033	7,641	7,598	7,558	7,732	7,527	7,611	7,611
Other Capital Liabilities ..	57	46	66	68	75	98	100	101	103
Total Liabilities ..	711	8,079	7,707	7,666	7,633	7,653	7,832	7,628	7,714

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

	Aug. 6, '27.	Mar. 31, '28.	Aug. 4, '28.	Week ended Aug. 4, '28.
Ways and Means Advances Outstanding—				
Advances by Bank of England ..	£ 127,680,000	£ 161,850,000	£ 161,750,000	£ 1,000,000
Advances by Public Deptmts. ..	612,330,000	526,940,000	606,365,000	12,020,000
Treasury Bills Outstanding ..	740,010,000	688,730,000	768,115,000	11,020,000
Total Floating Debt ..	£ 1,479,620,000	£ 1,377,560,000	£ 1,536,225,000	£ 23,040,000

* Includes £48,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on Aug. 3, 1928, and the total amount applied for was £48,430,000. For bills at 3 months, dated Monday to Friday, at £98 18s 8d, about 44 per cent., above in full; Saturday at £98 18s 11d, and above in full. The amounts allotted were in bills at 3 months, £40,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1928.			
June 1 ..	40,000,000	55,445,000	£ 8 15 7-1/2
June 8 ..	35,000,000	53,050,000	£ 8 15 1-1/2
June 15 ..	35,000,000	45,955,000	£ 8 15 2-1/2
June 22 ..	35,000,000	43,275,000	£ 8 16 4-1/2
June 29 ..	40,000,000	73,725,000	£ 8 16 6-1/2
July 6 ..	40,000,000	57,660,000	£ 8 16 0-1/2
July 13 ..	40,000,000	47,975,000	£ 8 16 0-1/2
July 20 ..	40,000,000	57,355,000	£ 8 16 0-1/2
July 27 ..	40,000,000	49,165,000	£ 8 16 0-1/2
Aug. 3 ..	40,000,000	48,430,000	

BANK OF JAYA.—In florins (000's omitted).

Assets.	July 31, 1928.	July 23, 1928.	July 21, 1928.	July 14, 1928.	Aug. 6, 1928.	Position May 31, 1928.
Gold	187,400	187,600	187,000	187,100	184,332	22,971
Silver	155,400	147,200	147,500	144,500	150,799	77,567
Discos, advances, and other investments	314,900	312,700	314,200	317,200	327,049	103,499
Notes in circulation	56,800	57,500	50,200	47,700	54,234	12,250
Deposits and bills payable						

SWISS NATIONAL BANK.—In francs (000's omitted).

Assets.	July 31, 1928.	July 23, 1928.	July 14, 1928.	July 7, 1928.	July 30, 1928.	Position May 31, 1928.
Gold	447,845	447,858	446,904	447,045	444,296	171,175
Silver	54,526	56,244	59,444	59,117	67,688	18,350
Advances	199,131	199,480	196,876	197,739	317,499	103,000
LIABILITIES.						
Notes in circulation	859,529	797,942	811,093	826,721	839,136	275,925
Deposits	73,451	109,002	127,447	107,827	84,906	33,750

BANK OF ITALY.—In lire (000's omitted).

Assets.	July 31, 1928.	June 30, 1928.	June 20, 1928.	June 10, 1928.	May 31, 1928.
Gold, coin and bullion	4,924,571	4,924,843	4,885,811	4,884,756	4,884,664
Foreign bills & balances abroad	7,158,730	7,150,650	7,286,903	7,288,168	7,289,130
Other cash	124,900	166,886	128,015	131,916	128,533
Gold deposited abroad due by the State	1,847,713	1,847,713	1,847,713	1,847,713	1,847,713
Discos	2,998,581	3,005,167	2,836,877	2,835,083	2,936,528
Advances	1,313,669	1,792,628	947,000	910,229	1,044,320
Credit with "Istituto di Liquidazione"	1,237,088	1,253,036	1,256,306	1,256,306	1,256,306
Government securities	998,588	998,361	999,432	998,802	998,541
LIABILITIES.					
Notes in circulation	17,464,370	17,323,546	16,959,714	17,027,759	17,044,988
Public deposits	300,000	300,000	300,000	300,000	300,000
Other deposits and drafts	3,006,327	2,967,958	3,236,246	3,027,348	3,150,869
Ratio of reserve to note and sight liabilities combined	58.17%	58.64%	59.39%	59.8%	59.22%

BANK OF NORWAY.—In kroner (000's omitted).

Assets.	July 31, 1928.	July 23, 1928.	July 16, 1928.	July 30, 1928.	Position May 31, 1928.
Coin and bullion—Gold	146,961	146,991	146,997	147,231	44,224
Balance abroad and foreign bills	32,286	33,397	31,895	5,452	28,533
Norwegian and Foreign Government securities	9,323	9,323	9,323	36,870	8,816
Discos and loans	280,576	271,342	271,496	280,999	76,911
LIABILITIES.					
Notes in circulation	319,265	317,778	321,118	330,855	113,494
Deposits at sight	82,416	75,817	74,372	97,061	7,188

BANK OF SWEDEN.—In kronor (000's omitted).

Assets.	Aug. 4, 1928.	July 28, 1928.	July 21, 1928.	July 14, 1928.	Aug. 6, 1928.
Gold	230,033	230,127	230,250	230,353	221,263
Government securities—Swedish	11,012	11,012	11,012	11,012	12,235
Foreign	62,300	62,300	62,300	58,600	60,754
Other Swedish bonds quoted on foreign bourses	784	804	804	804	1,114
Bills payable in Sweden	213,772	220,655	233,003	256,908	160,620
Balance abroad	34,828	30,810	28,893	16,740	68,220
Advances made on government securities and bonds	28,234	41,990	42,886	68,426	51,874
LIABILITIES.					
Notes in circulation	492,870	463,716	459,084	479,066	478,900
Government deposits	128,163	135,484	154,426	155,368	104,310
Private deposits	3,578	12,743	10,638	24,793	6,992

† The sum of the items "Bills payable in Sweden" and "Advances made on Government Securities and Bonds" excludes advances and cash credits which are not available as cover for the note issue.

NATIONAL BANK OF DENMARK.—In kroner (000's omitted).

Assets.	July 31, 1928.	June 30, 1928.	May 31, 1928.	Apr. 30, 1928.	Position May 31, 1928.
Coin and bullion	181,806	181,851	181,893	182,184	76,644
Loans & discounts	80,020	86,822	129,101	115,805	88,470
Debtors abroad	91,965	98,464	102,845	103,037	60,413
Securities	19,082	18,832	19,259	18,184	6,919
LIABILITIES.					
Circulation	340,355	359,581	346,954	352,238	353,183
Deposits	7,226	4,812	28,106	30,875	2,088

BANK OF SPAIN.—In pesetas (000's omitted).

Assets.	Aug. 4, 1928.	July 28, 1928.	July 21, 1928.	July 14, 1928.	Aug. 6, 1928.
Gold	2,608,429	2,608,428	2,608,433	2,607,911	2,597,529
Silver	704,484	704,484	704,484	704,484	704,484
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475
Advances to Treasury	150,000	150,000	150,000	150,000	150,000
LIABILITIES.					
Circulation	4,321,495	4,242,572	4,261,495	4,295,154	4,203,058
Deposits	961,562	966,341	970,779	998,551	1,053,203

* Including 92 million pesetas lent to the State.

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K. (000's omitted).

Assets.	July 31, 1928.	July 23, 1928.	July 15, 1928.	July 7, 1928.	July 31, 1927.
Gold and silver holdings	1,129,354	1,129,372	1,118,767	1,118,677	1,056,076
Balance abroad and foreign currency	1,857,689	1,857,988	1,808,665	1,894,473	1,693,209
Discos and advances	244,172	327,072	433,857	458,458	190,812
State notes debt balance	4,289,827	4,283,913	4,761,711	4,767,440	4,667,766
Other assets	1,016,266	938,006	543,488	536,386	910,558
LIABILITIES.					
Bank notes in circulation	7,344,022	6,710,607	6,974,500	7,275,623	7,046,208
Check account balances	450,824	1,090,619	1,077,857	781,611	787,389
Other liabilities	319,836	342,500	325,876	326,744	268,732

NATIONAL BANK OF THE SERBS, &c.—In dinar (000's omitted).

Assets.	July 31, 1928.	July 22, 1928.	July 15, 1928.	July 8, 1928.	July 31, 1927.
Gold	90,334	90,310	90,296	90,272	87,853
Other coin and notes	18,201	18,186	18,083	18,046	18,437
Foreign credits	246,840	244,776	241,358	250,279	383,564
Bills	1,344,570	1,334,148	1,365,803	1,364,926	1,086,852
Govt. advances	4,323,081	4,323,285	4,323,474	4,323,070	4,388,810
LIABILITIES.					
Notes in circulation	5,312,505	5,159,752	5,216,905	5,343,497	5,522,065
State credits	294,067	294,065	294,064	294,064	319,821
Deposits	917,697	1,059,439	1,050,576	938,621	1,668,115

AUSTRIAN NATIONAL BANK.—In schillings (000's omitted).

Assets.	July 31, 1928.	July 23, 1928.	July 15, 1928.	June 30, 1928.	July 31, 1927.
Metal reserve—					
Gold in coin, etc.	118,796	117,199	117,199	117,199	58,780
Foreign bills	297,815	291,358	287,720	285,703	410,600
Other foreign bills	314,921	303,826	294,165	283,663	193,882
Bills discounted	158,581	135,449	197,963	167,652	150,695
Advances to Treasury	167,631	167,631	167,631	167,631	173,596
LIABILITIES.					
Share capital	43,200	43,200	43,200	43,200	43,200
Reserve fund	8,167	8,167	8,167	8,167	8,167
Notes in circulation	1,008,531	896,147	941,366	998,203	956,372
Deposits	52,269	122,881	85,805	31,867	33,859

† In dollar and sterling only.

NATIONAL BANK OF HUNGARY.—In Hungarian Pengö (000's omitted.)

Assets.	July 31, 1928.	July 23, 1928.	July 15, 1928.	July 7, 1928.	July 31, 1927.
Metal reserve—					
Gold coin and bullion	196,601	196,601	196,601	196,601	196,601
Foreign bills	58,429	58,429	58,429	58,429	58,429
Silver coin and bullion	827	827	827	827	827
Inland bills, warrants and securities	335,602	289,747	292,554	291,668	297,562
Advances to the Treasury	104,453	104,453	104,453	104,453	111,911
LIABILITIES.					
Share capital gold crowns 30,000,000	34,756	34,756	34,756	34,756	34,756
Notes in circulation	496,007	402,693	420,744	432,747	465,988
Current accounts, deposits, &c.	206,332	260,610	250,360	259,759	225,698

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF ROUMANIA.—In lei (000's omitted).

Assets.	July 21, 1928.	July 14, 1928.	July 7, 1928.	July 23, 1927.	May 12, 1927.
Gold	582,528	582,347	581,994	575,440	545,975
Silver, &c.	8,761	8,929	8,909	13,415	776
Government loan	11,500,747	11,487,272	11,465,360	11,308,546	12,585,132
Other advances	14,951,903	14,951,821	15,026,129	11,392,752	5,037,439
LIABILITIES.					
Notes in circulation	21,033,059	21,034,742	21,042,664	21,048,750	15,845,426
Deposits	5,870,617	5,864,216	5,810,104	5,827,443	7,077,330

NATIONAL BANK OF BULGARIA.—In leva (000's omitted).

Assets.	July 23, 1928.	July 15, 1928.	July 7, 1928.	June 30, 1928.	July 21, 1927.
Gold and silver holdings	1,472,358	1,471,144	1,470,640	1,469,542	1,408,038
Balance abroad and foreign currencies	641,206	424,934	447,984	384,048	321,538
Discos and advances	1,487,551	1,517,631	1,471,817	1,453,392	1,375,611
Advances to the Treasury	4,518,216	4,518,216	4,518,216	4,518,216	4,562,044
LIABILITIES.					
Capital paid in	516,422	516,422	516,422	516,422	473,865
Reserve fund	1,128,086	1,128,086	1,128,086	1,128,086	1,038,777
Bank notes in circulation	4,145,821	4,066,616	3,997,314	3,890,233	3,767,677
Sight liabilities	1,179,751	1,042,541	1,081,183	1,091,514	1,016,633
Deposits	1,282,693	1,580,102	1,348,853	1,327,073	1,651,188

BANK OF POLAND.—In zloty (000's omitted).

Assets.	July 31, 1928.	July 20, 1928.	July 10, 1928.	June 30, 1928.	July 31, 1927.
Gold	602,538	602,531	602,452	601,211	164,669
Of which held abroad	195,095	195,095	195,095	202,723	223,702
Foreign currencies	709,675	716,802	724,649	733,434	174
Bills discounted	591,100	585,972	581,091	581,495	406,664
Loans against securities	68,929	67,543	64,032	65,302	41,201
Reserve fund securities	55,647	55,177	55,644	55,769	
LIABILITIES.					
Share capital	150,000	150,000	150,000	150,000	100,000
Reserve fund	94,435	94,435	94,435	94,435	4,681
Notes in circulation	1,152,255	1,030,344	1,126,195	1,183,977	744,885
Current accounts	57,516	65,540	636,295	595,201	225,945
Government Accounts	75,000	75,000	75,000	75,000	21,088

* As from October 13, 1927, 8.91 zlotys equal one U.S. dollar

BANK OF ESTONIA.—In Est. kroon (000's omitted).

Assets.	July 31, 1928.	July 23, 1928.	July 15, 1928.	June 30, 1928.	July 31, 1927.
Gold coin and bullion	10,033	10,033	10,033	10,033	10,033
Net foreign exchange	27,272	26,615	24,686	27,312	27,880
Subsidiary Estonian coin	644	705	730	689	652
Home bills discounted	8,743	8,852	8,866	9,151	9,281
Loans and advances	17,018	16,921	16,090	16,763	16,952
LIABILITIES.					

OVERSEAS BANK RATES.

Changed.	%	Changed.	%
Amsterdam	Oct. 12, 1927 .. 4½	Oslo	Mar. 26, 1928 .. 5½
Athens	June 7, 1927 .. 10	Paris	Jan. 19, 1928 .. 3½
Belgrade	July 26, 1921 .. 6	Prague	Mar. 8, 1927 .. 5
Berlin	Oct. 5, 1927 .. 7	Pretoria	Jan. 9, 1928 .. 5½
Brussels	June 30, 1928 .. 4	Reval	Jan. 2, 1928 .. 7½
Bucharest	Sept. 4, 1920 .. 6	Riga	April 1, 1928 .. 6½
Budapest	Aug. 26, 1926 .. 5	Rome	June 25, 1928 .. 5½
Calcutta	July 19, 1928 .. 6	Sofia	Aug. 5, 1924 .. 10
Copenhagen	June 23, 1927 .. 5	Stockholm	Apr. 30, 1923 .. 4
Danzig	June 20, 1927 .. 6	Swiss Bank	
Helsingfors	Aug. 7, 1928 .. 6½	places	Oct. 22, 1925 .. 3½
Kyovo	Feb. 8, 1925 .. 7	Tokio	Oct. 18, 1927 .. 5½
Lisbon	July 28, 1926 .. 8	Vienna	July 16, 1928 .. 6½
New York Federal Reserve	July 12, 1928 .. 5	Warsaw	May 13, 1927 .. 8
Madrid	Mar. 23, 1923 .. 5	Irish	Apr. 21, 1927 .. 5½

Central Bank of Chile.—Discount rate for member banks, 6½%; discount rate for the public, 7½%.
 † 6% applied to banks, &c., charging not more than 11% p.a. for their loans.
 ‡ 7% applied to banks, &c., charging more than 11% p.a. for their loans.

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.		Union of South Africa.	
	From February 6, 1928.		From February 6, 1928.	
	London on South Africa.		South Africa on London.	
	Buying.	Selling.	Buying.	Selling.
T.T.	1½% dis.	1½% dis.	par to 1½% pm.	3% prem.
Demand	1½% dis.	1½% dis.	1½% dis.	2 to 3% prem.
30 days	1½% dis.	1½% dis.	1½% dis.	1½% prem.
60 days	1½% dis.	1½% dis.	1½% dis.	1½% prem.
90 days	1½% dis.	1½% dis.	1½% dis.	1½% prem.
120 days	1½% dis.	1½% dis.	1½% dis.	1½% prem.

OVERSEAS DOMINIONS RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.		Australia and New Zealand on London.	
	Buying.	Selling.	Buying.	Selling.
	Aus. tralia.	New Zealand.	Aus. tralia.	New Zealand.
T.T.	99½	99½	101	100½
Demand	99½	99½	100½	100½
30 days	97½	97½	99½	99½
60 days	97½	97½	99½	99½
90 days	96½	96½	98½	98½

BULLION.

The following statistics of imports and exports of gold for week ended August 9, 1928, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.		Exported from Great Britain and Northern Ireland.	
From—	£	To—	£
Venezuela	3,750	Germany	1,465,125
British South Africa	937,566	France	8,417
Australia	5,000	Switzerland	25,600
Other Countries	1,500	Spain	13,650
		Austria	2,000
		Egypt	2,000
		Gibraltar	2,000
		Bombay, via other ports	2,500
		Other Countries	990
Total declared value of imports	947,616	Total declared value of exports	1,520,419

GOLD MOVEMENTS.

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follow:—

1928.	ARRIVALS.	£	1928.	WITHDRAWALS.	£
Aug. 3—3—S. Africa	500,000	500,000	Aug. 3	500,000	500,000
" 4	nil	nil	" 4	nil	nil
" 7—S. Africa	250,000	250,000	" 7	250,000	250,000
" 8	nil	nil	" 8	nil	nil
" 9	nil	nil	" 9	nil	nil
Total	750,000	750,000	Total	750,000	750,000

* Released from set aside on account of.
 Net arrivals, £750,000.

Messrs Samuel Montagu and Co. write on August 8th as follows:—

GOLD.

There was a net influx of £750,000 during the week under review.

SILVER.

The market has been quiet during the week, sometimes with rather more supplies—Continental and otherwise—than the moderate demand could conveniently absorb. Prices receded therefore to 27½d on the 4th inst., but with better inquiry from bears and from the Eastern markets the tendency improved and the price rallied. America, on the whole, has not been much of a seller here. The following were the United Kingdom imports and exports of silver registered from mid-day on the 30th ult. to mid-day on the 4th inst.:—Imports.—France, £123,698; other countries, £20,394—£144,092. Exports.—British India, £69,704; other countries,

£26,133—£95,837. The following figures compiled by the Yokohama Specie Bank throw some light on the continual flow of silver into China:—"Chinese in the Malay Archipelago sent to China a total of \$45,950,000 in 1924 and \$43,100,000 in 1925, as follows:—

	1924.	1925.
Straits Settlements	19,400,000	19,026,000
Philippine Islands	15,500,000	13,228,000
Dutch East Indies	11,050,000	10,846,000
	45,950,000	43,100,000

36 per cent. of the above was sent through foreign banks, 32 per cent. by post, 16 per cent. through Chinese owned banks, and 16 per cent. taken to China by Chinese themselves. There were at the time of the report 1,170,000 Chinese in the Straits Settlements, 810,000 in the Dutch Indies, and 250,000 in the Philippines. Basing on the above figures, \$16 per head was sent from the Straits Settlements, \$13 from the Dutch Indies, and \$53 from the Philippines. The average sent per head is about \$27. The above figures do not include the money sent from Annam, Burma, and Siam, of which there is no reliable report. Based on population, with 1,800,000 Chinese in Siam, 360,000 in Annam, and 300,000 in Burma, totalling 2,460,000, this figure, at \$27 per head, the average for the Malay Archipelago, would give \$66,420,000, or a total altogether of \$109,520,000 for 1925. This figure, however, does not include remittances from Chinese in North and South America and Europe, who are estimated to remit at least fifty million dollars a year to the mother country."

INDIAN CURRENCY RETURNS.
(In Lacs of Rupees.)

	July 15.	July 22.	July 31.
Notes in circulation	17,893	17,978	18,079
Silver coin and bullion in India ..	10,156	10,241	10,313
Silver coin and bullion out of India ..	2,976	2,976	2,976
Gold coin and bullion in India ..	2,976	2,976	2,976
Gold coin and bullion out of India ..	2,976	2,976	2,976
Securities (Indian Government) ..	4,277	4,277	4,273
Securities (British Government) ..	484	484	517

The stock in Shanghai on the 4th inst. consisted of about 47,500,000 ounces in sycee, \$2,500,000 dollars, and 7,420 silver bars, as compared with about 47,500,000 ounces in sycee, \$0,600,000 dollars, and 7,460 silver bars on the 28th ultimo.

GOLD AND SILVER PRICES.

	Gold Per Ounce.		Silver—Per Ounce.		Date.		Silver.
	Cash.	Forward.	Cash.	Forward.			Cash.
1928.	s d	d	d	d	Aug. 18, 1922..	34½	
Aug. 3....	84 11½	27½	27½	27½	17, 1923..	30½	
6....	84 11½	27½	27½	27½	15, 1924..	33½	
7....	84 11½	27½	27½	27½	14, 1925..	32½	
8....	84 11½	27½	27½	27½	13, 1926..	28½	
9....	84 11½	27½	27½	27½	12, 1927..	25½	

NOTICES.

WILLIAMS DEACON'S BANK, LIMITED.—With reference to the question of banks and coats-of-arms, the following statement has been sent to us:—"The fact that a British bank has recently been granted an official coat-of-arms has created considerable interest, and at the same time some misunderstanding. The latter is due to the statement that this is the first occasion on which a coat-of-arms has been granted to a bank. This is not the case. Williams Deacon's Bank, Limited, or as it was known at the time, the Manchester and Salford Bank, received a grant of arms more than half a century ago—on January 7, 1875. In the words of the grant the arms are—azure a barb, or banded gules, a bordure argent charged with five torteaux on a chief of the second three bendlets of the third, and for the crest on a wreath of the colours a demi-eagle displayed with two heads vert, each wing charged with a bezant, and on the breast a trefoil slipped or, as the same are in the margin hereof more plainly depicted together with the motto "Respicite et Prospice....."

Barclays Bank, Limited, announce that they have opened a new branch at 197 Stanstead road, Forest Hill, S.E. 23, under the management of Mr J. R. Watkins.

Lloyds Bank, Limited, announce that a branch of the bank is now open at 39 Maida vale, W. 9, under the management of Mr C. C. de Berry. The business of the bank at Caversham is now transferred to new premises at 15 Bridge street, and has been converted into a full branch, the manager being Mr H. W. Colver.

The Midland Bank announces the opening of new branches at 79 Piccadilly (corner of Stratton street), London, W. 1, and at 168 Portland road, Hove, under the management of Mr W. H. Holland and Mr F. W. Serres respectively.

Reports and Notices.

The board of Wall Paper Manufacturers, Limited, have appointed Mr Alan Victor Sugden as Chairman in succession to Mr Edgar Smith, who died on July 21st, having held the position since 1919.

Branston Artificial Silk Co., Limited.—Mr S. Terry Harman has been elected a member of the board of directors of the Branston Artificial Silk Co., Limited.

Alfred Dunhill, Limited.—On and after August 9th the Transfer Offices of this company will be removed to 27B Throgmorton street, London, E.C.2.

Following the resignation, through ill-health, of Mr F. S. Tuckett, the chairmanship of the East Ferry Road Engineering Works Co., Limited, Millwall, has been accepted by Mr Frederick Davies, already a member of the board. Mr Davies is senior partner in Davies and Harris, Mincing lane, and is a director of the Costa Rica Electric Light and Traction Co., Limited.

The Williams Deacon's Bank, Limited, give notice that in order to prepare the dividend warrant due September 1, 1928, on Wolverhampton Corporation 3 per cent. redeemable stock, 1924-54, the books will be closed from August 18, 1928, to August 31, 1928, inclusive.

Messrs. Stephenson, Harwood and Tatham, of 16 Old Broad street, E.C.2, announce that Mr Ronald Neil Macleod, formerly of Messrs. Platt and Co., Shanghai, China, has been admitted to partnership as from August 1st.

On and after Monday next, August 13th, the registered office of the following companies will be transferred to 4 Moorgate, E.C.2:—Anglo-Belgian Company of Egypt, Limited; City and International Trust, Limited; Leach's Argentine Estates, Limited; New General Traction Company, Limited; Norwich Electric Tramways Company; Public and General Works Company, Limited.

At a meeting of the directors of Worldecho Record, Limited, held on August 7th, the following directors were proposed and elected to the board:—Mr R. E. Jones (managing-director of the Mandaw Co., Limited), Mr F. B. P. Weil (director, Frederick Investment Corporation, Limited), Mr I. H. Abelson (director, Frederick Investment Corporation, Limited).

The Royal Exchange Assurance announces that Mr H. K. M. Kindersley, of Messrs Lazard Bros. and Co., Limited, has been elected to a seat on the court of directors of the corporation at head office.

GOVERNMENT STOCKS, &c.

3 PER CENT. DIPLOMATIC DEBT OF VENEZUELA, 1905.—The Council of Foreign Bondholders notify the receipt of a sight draft for £8,781 10s 9d in respect of the moiety of the first fortnightly instalment of the debt service payable to the council for the half-year ending December 31, 1928.

BANKS.

BANCITALY CORPORATION.—The Bancitaly Corporation has opened offices in London, and further offices are to be established in all the principal European centres. This decision follows the announcement of record earnings for the first six months of 1928, with net profits amounting to \$35,233,552, or more than the earnings for any previous full year.

MISCELLANEOUS.

BRAZILIAN TRACTION, LIGHT AND POWER.—The Board of Brazilian Traction, Light and Power Company, Limited, regret to announce that Sir Alexander Mackenzie, owing to the condition of his health, has found it necessary to resign the presidency of the company, and to give up the active direction and administration of the company's affairs. The board, however, are glad to be able to state that the company will continue to have the benefit of Sir Alexander's advice in important matters, as he has agreed to remain on the board, and to act in a consulting capacity. The board, upon the recommendation of Sir Alexander Mackenzie, have unanimously elected Mr Miller Lash, K.C., as president of the company, and of the subsidiary companies operating in Brazil. Mr Lash has for many years been associated with the company's undertaking both as a director, and also as the principal executive vice-president of the company in charge of its head office. Mr Lash will continue to make regular visits to Brazil in order to keep in close touch with the operation of the business. Mr H. H. Couzens, who is resident in Brazil, will continue as executive vice-president, and will have full charge of and authority over the operations and staff in Brazil, and Mr A. W. K. Billings, also a vice-president resident in Brazil, will, as heretofore, continue in control of the hydraulic construction and concessions.

C. M. LAMPSON AND CO., LIMITED.—A private company, with a capital of £800,000, has been formed under the style of C. M. Lampson and Co., Limited, to take over the business of C. M. Lampson and Company. The Hudson's Bay Company have ac-

quired a substantial holding in the new company, including the interest of the late Mr Edwin H. Goad, and the business will continue as hitherto under the management of the former partners—Mr Alfred Curtis Lampson, Mr Curtis Walter Lampson, Mr Alfred Valentine Fraser, and Mr Robert William Fraser—who will act as directors of the new company.

LONDON COUNTY LEASEHOLD AND FREEHOLD PROPERTIES, LIMITED.—We are informed by London County Leasehold and Freehold Properties, Limited, that the recent issue to shareholders of 300,000 £1 shares at a premium of 6s 6d per share was subscribed by the shareholders to the extent of over 95 per cent. within a period of nine days from the date of notification, and that the negotiations for the properties mentioned in the circular which was sent to shareholders on July 5th will be completed in the course of a few days.

MINING OUTPUT STATISTICS FOR JULY, 1928.

	Tons Crushed.		Gold Recovered.		Total.	Value.	Profit.
	Mill.	Cyande Works.	Mill.	Cyande Works.			
Gold.	Tons.	Tons.	Ozs.	Ozs.	Ozs.	£	£
Associated	5,049	..	..	..	..	8,615	..
Belaghat	4,000	..	..	..	2,435	..	..
Blackwater	3,600	..	..	..	..	6,564	1,441
Boulder Perseverance	6,077	..	..	..	..	19,896	3,281
Cam and Motor	24,000	..	..	..	12,732	51,831	24,840
Champion Reef	7,200	18,643	3,557	746	4,303	..	..
Fairbanks	1,880	..	..	..	1,857	7,334	..
Frontino and Bolivia	456	..	..	..	..	2,000	..
Gabait Tributing	123	to 31 July	..	..	6,942	29,156	..
Lena	20,600	..	..	..	5,304	..	3,460
Luipaard's Vlei	690	..	..	..	..	4,763	..
Marmajito	18,225	19,200	8,978	786	9,754	..	..
Mysore	10,600	20,301	5,374	962	6,336	..	..
Nundhydroog	2,231	..	..	..	505 (platinum)	..	..
Onverwacht Platinum	12,000	18,000	6,424	776	7,200	..	..
Ooregum	..	..	..	..	..	\$75,000	..
Oriental Consolidated	6,400	..	..	..	..	12,764	5,017
Rezende	3,350	..	..	..	..	4,144	405
Sable	4,400	..	..	..	..	7,430	2,685
Sherwood Star	13,650	..	..	..	..	11,788	..
Sons of Gwalia	9,321	..	..	..	..	16,870	3,062
South Kalgurl	..	..	..	..	..	34,900	..
St. John del Rey	..	..	..	..	..	..	..

	Output.	Other Notes in Return.
Tin.	Tons.	
Aramayo	341	and 183,000 ozs silver.
Bangrin	33½	..
Bisichi	40	..
Chenderiang	29	Est. value, £3,547.
Daffo	6	..
Geeyor	55	Black tin; amount realised, £6,900.
Idris Hydraulio	35½	Est. value, £4,153; est. cost, £1,546.
Iph	33½	..
Jantar (Nigeria)	25	..
Kagera	25	..
Kamunting	87	Est. value, £10,931.
Kent	33	Est. value, £3,790; est. cost, £1,590.
Kepong	24	Est. value, £2,948; est. cost, £1,805.
Kinta	30	Est. value, £3,803; est. cost, £1,668.
Kramat Pulai	11½	Est. value, £1,342; est. cost, £1,050.
Lahat	6½	Est. value, £858; est. cost, £1,835.
Madubi	4	Shipped 3½ tons concentrates.
Malayan	160½	Est. value, £20,662; net cost, £8,293.
Merit	30	..
Naraguta Extended	17	..
Pahang Consolidated	202	Black tin; 5 tons alluvial.
Petaling	160½	..
Pengkalan	27½	Est. value, £3,475; est. cost, £1,455.
Offin River	4	..
Rahman Hydraulic	53½	..
Rambutan	14	Est. value, £1,435; est. cost, £820.
Rantau	50	Est. profit, £2,101.
Ropp	66	..
Rukuba	5	..
Selayang	226	Concentrates.
Siamse	11½	..
South Bukuru	5	..
Southern Malayan	65½	Est. value, £8,292; est. cost, £4,016.
Southern Perak	52½	Est. value, £6,468; est. cost, £3,465.
Sungei Besi	47	Est. value, £6,050; est. cost, £4,379.
Sungei Kinta	17½	..
Taipung	50	Est. profit, £3,617.
Tanjong	34½	Est. value, £4,212; est. cost, £2,187.
Tekka	42	Est. value, £4,945; est. cost, £2,110.
Tekka-Taipung	46	Est. value, £5,600; est. cost, £2,590.
Tin Fields of Nigeria	5	..

Coal.		
Chinese Engineering	50,000	Said during the week ended July 28th.
Dundee	40,112	..
Durban Navigation	41,328	..
Natal Navigation	98,226	..
S. African	66,024	..
Sengareni	55,416	..
Vereeniging Estates	193,273	..
Wankie	69,536	Coal sales; 13,134 tons coke sales.
Copper.		
Bwana M'Kubwa	703	Copper oxide, equivalent to 565 tons refined copper.
Poderosa		1,076 metric tons, est. at 22·2 per cent. copper.
Union Miniere	9,850	..
Diamonds.		
New Vaal River	852	Carats, realising £6,829.
Tanganyika	2,231	Carats
Miscellaneous.		
Electrolytic Zinc	3,749	Zinc, 520 tons lead and 61,000 ozs silver.
Thodesian Broken Hill	955	Zinc, and 400 tons lead.

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Aug. 3, 1928.	(c) Week ended Aug. 4, 1928.	Miles Open.	Week ended Aug. 5, 1928.					Aggregate 31 Weeks, 1928.				
			(000's omitted.)					(000's omitted.)				
			Passenger.	Merchandise.	Coal and Coke.	Total.	Passenger.	Merchandise.	Coal and Coke.	Total.	Receipts.	
Great Western	1,779	454	222	106	328	782	7,613	7,613	3,523	10,305	17,318	
Do for 1927	3,779	405	158	68	226	631	7,867	7,867	3,952	11,042	18,909	
London & North-Eastern	6,408	640	398	213	611	1,251	11,493	12,974	7,473	20,447	31,940	
Do for 1927	6,406	594	359	204	563	1,157	12,069	13,800	7,944	21,744	33,813	
London, Mid. & South	6,950	1,046	533	222	756	1,802	17,615	17,770	7,819	25,590	43,205	
Do for 1927	6,952	875	457	191	648	1,523	18,135	18,988	8,873	27,861	45,996	
Southern	2,177	548	79	27	106	654	10,038	2,461	847	3,308	13,346	
Do for 1927	2,177	548	79	27	106	654	10,038	2,461	847	3,308	13,346	
Metropolitan (c)	59	33.3	..	..	..	3.7	37.0	990.3	..	116.6	1,062.7	
Do for 1927	59	30.9	..	..	..	3.1	34.0	944.2	..	118.5	1,062.7	
London & South-Eastern	1,779	454	222	106	328	782	7,613	7,613	3,523	10,305	17,318	
Do for 1927	3,779	405	158	68	226	631	7,867	7,867	3,952	11,042	18,909	
London & South-Western	1,779	454	222	106	328	782	7,613	7,613	3,523	10,305	17,318	
Do for 1927	3,779	405	158	68	226	631	7,867	7,867	3,952	11,042	18,909	
Great Southern	2,187	453	..	..	..	..	..	..	..	..	..	

† Includes receipts from independent omnibuses acquired during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1928.	1928.
				+ or -	+ or -

INDIAN.

			Ra.	Ra.	Ra.	Ra.
Assam Bengal	13 weeks	June 30	1,111	4,31,000	+ 21,859	54,30,189
Barak L. Ry.	15 weeks	July 14	118	27,500	- 59,600	8,09,600
Bengal & N. Western	15 weeks	June 30	2,079	5,64,964	- 7,762	1,10,36,737
Bengal-Nagpur	13 weeks	June 30	2,949	14,41,000	- 2,91,963	2,26,16,326
Bombay, Bar., & C. I.	16 weeks	July 7	2,522	15,81,000	+ 27,000	4,05,00,000
Burma	15 weeks	July 7	1,349	6,08,204	- 37,247	1,18,68,560
Madras & S. Mahr.	14 weeks	July 7	3,072	16,35,000	+ 1,07,199	2,78,59,785
Nizam's Guaranteed (s)	15 weeks	July 14	1,018	3,14,881	- 34,201	61,87,175
Rohilk'd & Kumaon	14 weeks	July 7	561	1,15,506	- 15,221	20,34,075
South Indian	14 weeks	July 7	2,083	12,90,923	+ 1,46,751	1,79,94,767

† Including Lucknow-Bareilly State Railway. (s) Total receipts of all lines.

ARGENTINE (a).

				£	£	£	£
Argentine N.E.	5 weeks	Aug. 4	753	15,500 +	2,900	74,000	1,700
B.A. and Pacific	5 weeks	Aug. 4	2,694	155,000 +	15,000	799,000 +	68,000
B.A. Central	4 weeks	23	29	15,505 +	163	58,793 +	4,687
B.A. Gt. Southern	5 weeks	Aug. 4	4,720	202,000	30,000	1,077,000	203,000
B.A. Western	5 weeks	Aug. 4	1,926	90,000	nil	440,000	82,000
Central Argentine	5 weeks	Aug. 4	1,305	251,000 +	6,000	1,251,000	20,000
Cordoba Central	5 weeks	Aug. 4	1,212	78,000 +	2,000	363,000	40,000
Entre Rios	5 weeks	Aug. 4	728	29,000 +	8,400	126,800 +	16,000

CUBAN.

United of Havana	5 weeks	Aug. 4	1,359	49,146	- 4,305	244,261	- 29,975
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† Figures include Havana Central Railway.

URUGUAYAN.

				£		£		£	
Central Uruguay ..	5 weeks	Aug. 4	273	25,599	+	352	129,278	+	1,908
C. Urug. (East. Ext.)	5 weeks		311	4,254	—	793	25,604	—	1,413
C. Urug. (North. Ext.)	5 weeks		185	3,173	+	590	17,005	+	1,495
C. Urug. (West. Ext.)	5 weeks		211	2,233	+	243	10,843	+	125

CANADIAN.

Canadian National	30 weeks	July 31	19,142	8,035,163	+ 1,176,381	146,505,331	+ 11,468,323
Canadian Pacific	30 weeks	July 31	14,670	5,618,000	+ 802,000	116,155,000	+ 10,284,000

BRAZILIAN (b).

				£	£	£	£
Gt. West. of Brazil.....	31 weeks	Aug. 4	1,016	10,300	+ 1,800	396,100	+ 13,800
Leopoldina	31 weeks		1,856	46,484	— 2,114	1,480,076	+ 275,852
Leopoldina Termn'l.....	31 weeks		4 Mlrs	267,000	— 11,000	8,437,000	+ 394,000
San Paulo	31 weeks	5	1534	50,509	+ 5,384	1,535,581	+ 170,001

CHILEAN.

Antofagasta (Chili)	31 weeks	Aug. 5	838	33,500	+ 5,140	1,051,370	+ 103,533
Nitrato (4-monthly)	30 weeks	July 29	402	55,844	+ 3,527	470,313	+ 104,058

OTHER OVERSEAS.

Alcoy and Gandia ..	31 weeks	Aug. 4	33	Ps. 25,000 +	2,000	870,200 +	61,700
Egyptian Delta	16 weeks	July 27	608	£7,334 -	312	77,749 -	4,54
Gt. Southn. of Spain ..	30 weeks	28	104	Ps. 14,126 -	1,724	3,844,548 +	574,07
Mexican Railway	4 weeks	31	432	£269,000 -	58,100	944,900 -	85,30
Paraguay Central	4 weeks	28	274	£4,910 +	290	19,360 -	1,58
Salvador	4 weeks	28	103	£4,070 +	263	15,225 +	1,52

(a) Converted at par. (b) Converted at the current rate of exchange.

TRAMWAY WEEKLY GROSS RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Receipts for Week.		Total Receipts.	
				1928.	+ or -	1928.	+ or -
Anglo-Argentine....	31 weeks	Aug. 5	343	£87,975	- 5,250	2,751,698	+ 54,057
B. Aires Lacroze ...	4 weeks	July 29	12	£12,222	- 307	50,242	+ 2,514
Burnley Corporation ..	5 weeks	Aug. 4	13	£3,058	- 132	..	..
Calcutta Tramways ..	5 weeks	Aug. 4	458	Rs127,134	+ 3,367	..	..
Chatham & District ..	30 weeks	July 26	15	£1,474	- 31	38,132	- 2,495
Egyptian Markets ..	30 weeks	July 26	26	£1,375	+ 45	52,269	- 138
Glasgow Corporation ..	52 weeks	June 30	1,343	£47,361	- 210	202,744	- 1,139
Isle of Thanet Trams ..	29 weeks	July 18	43	£3,195	- 79	40,179	- 885
Liverpool Corp.	17 weeks	Aug. 2	124	£29,934	+ 1,052	506,630	+ 22,578
L.C.C. Tramways	18 weeks	Aug. 2	166	£81,752	+ 4,541	1,460,378	+ 36,201
Pernambuco Tramst ..	31 weeks	Aug. 5	..	£5,327	+ 163	168,288	+ 8,203

† Tramway Receipts only.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash.	Interim Div.	Date of Payment.	Method of Payment.	Dividend for Whole Years.	Previous Year.
Railways.						
Great Southern (Ireland)	2%*	Oct. 1	..	..	..	..
Banks.						
Bank of New South Wales	10%	Aug. 28	Quarterly	..	..	..
Industrial Bank of Japan	6	..	..	..	..	..
Insurance.						
New Zealand	11 p.s.	..	..	..	..	..
Mining.						
South African Gold Trust	5%*	Aug. 30	Less tax	..	..	..
Tea and Rubber.						
Ruo Estates	10%*	..	Less tax	..	..	..
Other Companies.						
Aberdeen Grain Warehousing	..	..	Less tax	10	10	..
Aberdeen University Press	..	..	Less tax	12	12	..
Benn Brothers	..	..	..	17	17	..
B. Laporte	..	..	..	3	3	..
B. Morris	2%*	Aug. 18	Less tax	..	..	..
Boddington's Breweries	5%*	..	Less tax	..	..	..
Bristol Waterworks	5	..	..	..	..	..
Caledonian Trust	7%*	Sept. 1	..	6	6	..
Charles Sharpe	3%*	..	..	..	..	..
Chatter United Gas	5	Aug. 16	Less tax	17	20	..
Clark's Old Brewery	10/10 p.s.	..	(bonus of 15 p.s. Tax free)	..	..	..
Colne Valley Water "D" Ord.	4%*	Oct. 1	Less tax	6	4	..
Ed. Wood and Co.	4%*	..	..	..	..	..
Exeter Gaslight, Orig. Stock	10%*	Aug. 11	Less tax	..	..	..
Do New Stock	7%*	Aug. 11	..	..	..	..
Fife Linoleum	3%*	Sept. 29	..	12	10	..
International Paint	41/10 p.s.	..	..	..	..	..
International Printing Ink	1/6 p.s.	..	Tax free	10	10	..
Isaac Holden	7%*	..	..	..	..	..
J. and J. Cunningham	7%*	..	..	..	..	..
John Anderson's Royal Polytechnic	6 p.s.*	..	..	..	..	..
Kelsall and Kemp	5%*	..	..	..	..	..
Langham Hotel	10%*	Aug. 20	Less tax	..	..	..
Linoleum Manufacturing	7%*	Sept. 15	..	..	..	..
Littleborough Gas	5%*	..	..	..	..	..
London and Suburban Garages	2%*	..	..	..	..	..
Metropolitan Electric	6	Aug. 14	..	..	..	..
Minimax	..	..	..	..	..	..
Nuttall's Breweries	7%*	..	..	..	..	..
Pawson and Leaf	5%*	Aug. 17	..	..	..	..
Rochdale Prop. Theatres	3%*	..	..	..	..	..
Rylands	4	Aug. 18	Less tax	..	..	..
Scottish Western Investment	8%*	Sept. 1	..	5	3	..
Seville Water Works	3%*	..	Less tax	..	..	..
Sheffield Pure Ice	5%*	..	Tax free	10	7	..
St. Neots Paper Mills	3%*	Aug. 31	..	..	..	..
Swan Hunter	3%*	..	..	..	..	..
Third Scottish American Trust	..	..	..	..	..	..
Tootal Broadhurst Lee	..	..	..	..	..	..
Waste Heat and Gas Electric	2%*	Aug. 31	..	..	..	..
Waygood-Otis	5	Aug. 15	..	..	..	..
Wells' Watford Brewery	6%*	..	..	..	..	..
William France, Fenwick	2%*	Sept. 1	Less tax	..	..	..
Woodford and Wormleighton	..	..	..	..	..	..

Commercial Reports.

THE CORN TRADE.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1927-28, 1926-27, 1925-26, 1924-25 :-

	1927-1928.	1926-1927.	1925-1926.	1924-1925.
Estimated sales of home-grown wheat—				
1 week to August 4	Cwts. 86,086	Cwts. 42,262	Cwts. 7,852	Cwts. 144,253
49 weeks to August 4	10,983,868	11,707,087	12,849,941	11,301,824
Average price of English wheat per cwt.	s d 10 11	s d 12 7	s d 14 6	s d 11 10

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1924 to 1927 :-

Weeks Ended	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1928.	Cwts.	Cwts.	Cwts.	s d	s d	s d
July 28	86,987	3,654	5,113	10 11	10 5	11 9
August 4	86,086	5,364	5,659	10 11	10 9	11 4
Aug. 2, 1924 ..	19,783	912	4,511	12 9	11 9	10 2
Aug. 1, 1925 ..	153,960	16,092	23,205	11 11	10 0	10 3
Aug. 7, 1926 ..	7,852	3,556	8,629	14 6	8 20	10 3
Aug. 6, 1927 ..	42,262	2,333	8,765	12 7	11 11	10 3

Our Sheffield correspondent writes:—The industry has been more or less standing idle this week for the holiday. At the time of closing, the work on hand was very meagre so that there is little to restart upon, and the former level of production may have to be lowered. The output of basic steel has increased lately, whereas that of acid steel continues to decline. In ordinary times the local output of both classes of steel was about even; to-day, the acid steel figures are about half those for basic. Order books generally indicate that consumers of basic steel are buying less foreign material and more of the home product than formerly. The consumption of steel by the engineering, shipbuilding, and building trades is at a low point, and the pig-iron market is therefore dull. Foundry iron prices have steadied, but there is little forward buying and output is excessive. A local demand has sprung up for basic steel scrap, but the price is no better notwithstanding the continued large export to Poland. Quotations are round about 56s. Sales of tool steel abroad are unsatisfactory, especially in the cheaper grades for which Continental competition is increasing. The trades producing finished products of steel, such as tools, contain many bad patches, but exports are fairly good. Cutlery and plate are depressed.

Our Glasgow correspondent writes:—In almost all branches of the iron and steel trades business is dull, and although the hardening of Continental prices combined with the difficulties of getting prompt deliveries of foreign material are stimulating the demand for British steel, the position cannot be regarded as satisfactory. Prices, however, remain unchanged, ship plates being quoted at £8 7s 6d per ton and sections at £7 17s 6d per ton, both subject to the 10s per ton rebate. The demand for bar iron is also poor. Sheetmakers and tube makers are well employed, and works are running at full capacity. The price for galvanised corrugated sheets remains at £13 7s 6d per ton for good export lots.

Our Cardiff correspondent writes:—In the tinplate industry the works have been idle this week under the output restriction scheme, and on Tuesday there was no market on the Swansea Metal Exchange. Nominally, prices are unchanged at last week's figures.

OTHER METALS.

TIN.—The market for tin displayed slight irregularity with dealings on a moderate scale. Firmer Eastern advices caused holders to advance their limits, but subsequently a quieter tone ensued, in view of larger U.K. stocks. Standard cash sold £213 15s to £214, £213 10s, and £215 5s, three months £213 to £212, £214 10s to £212 10s. Sales in the East were reported at £216 to £214 5s and £216 5s c.i.f. Stocks in London and Liverpool warehouses for week ending August 4th amounted to 2,762 tons, compared with 868 tons at same time last year.

COPPER market quiet, and values barely steady. Standard cash sold £62 12s 6d to £62 10s, three months £63 1s 3d to £62 17s 6d.

LEAD met a fair inquiry at steady prices, distant positions attracting chief attention. Good soft foreign pig, August, sold £21 1s 3d to £21 2s 6d, November £21 7s 6d to £21 5s.

SPELTER quiet, and prices the turn easier on some pressure to sell. August sold £24 13s 9d to £24 10s, November £24 17s 6d to £24 13s 9d.

ANTIMONY quiet. English regulus £59 10s to £60, foreign spot £39 to £39 10s. August-September £37 c.i.f.

ALUMINIUM steady. Ingots and bars for home delivery £95 ton. QUICKSILVER firmer. Spot £22 per bottle.

TIN PLATES quiet. I.C. coke prompt and forward 18s to 18s 3d per box, f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, Aug. 8, 1928.

Prior to the issue of the Bureau report this afternoon, prices had fallen about 40 odd points on the week. The weather continues to be favourable on the whole, and the crop reported to be making good progress. Though weevil is reported active in Arkansas and parts of Oklahoma, the damage appears so far to be very slight. The Bureau report figures were:—Condition 67.9, crop 14,291,000 bales, ginned 87,888 bales, and indicated yield 152.2. These were below general expectations, and the market re-opened with a 60 point advance, and at the close prices are about unchanged from those of a week ago. Trade conditions continue to be poor. Spot sales for August 2nd, 3rd, 7th, and 8th were 23,000 bales, of which 12,350 are American, 1,050 Brazilian, 4,500 Peruvian, 2,450 Egyptian, 800 African, 200 East Indian, and 1,650 sundries. Imports for the same days were 24,172 bales, of which 8,336 are American, 3,868 Peruvian, 10,249 Egyptian, 1,619 African, and 100 sundries. Quotations to-day are:—American middling, 10.72d; Egyptian F.G.F. Sakel, 18.50d; Egyptian F.G.F. uppers, 12.90d; Brazilian fair, 11.02d; Peru G.F. mod.-rough, 11.60d; Peru G.F. smooth, 11.77d; West African middling, 10.62d; and East African G.F., 13.95d.

MANCHESTER, Aug. 8, 1928.

Holiday influences and uncertainty as to the American Government crop report, together with a continuance of falling prices, have had an unsettling effect upon the market throughout the past week, and buyers continued to act with caution. A fair amount of

inquiry has been dealt with in piece goods, but sales have been of retail dimensions. Occasional orders have been booked for India in light fabrics. News from China has not been encouraging, and only isolated lines have been put through. There has been no activity whatever for the minor outlets East and West, but the recent improvement in the home trade is being maintained, and some manufacturers have secured a few more contracts. In the yarn market there has been much irregularity in prices, and in both American and Egyptian qualities only limited quantities have been bought.

Comparative Statement of the Cotton Trade.

	1928.					Corresp'dg. Date.
	July 18.	July 25.	Aug. 1.	Aug. 8.	1926.	1927.
Raw Cotton—Mid. American	11.88	11.54	11.12	10.72	10.30	9.26
—Sakellaridia Fully Good Fair	19.55	19.45	18.95	18.50	17.10	17.00
—Egyptian	17.17	17.16	16.1	16.1	15.1	15.1
Yarns—32's twist	29.1	29.1	29.1	29.1	28.1	28.1
—40's twist	29.1	29.1	29.1	29.1	28.1	28.1
—60's twist (Egyptian)	29.1	29.1	29.1	29.1	28.1	28.1
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	26.1	26.1	26.1	26.1	26.1	26.1
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	29.1	29.1	29.1	29.1	29.1	29.1
38-in. ditto, 38 yds, 18 by 18, 10 lbs	15.1	15.1	15.1	15.1	15.1	15.1
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	14.1	14.1	14.1	14.1	14.1	14.1

THE WOOL TRADE.

Our Bradford correspondent writes:—Practically all mills have been working this week. There is no discernible change in the course of wool values, and nothing whatever to indicate any active buying of tops and yarns such as is often seen during August, when manufacturers usually begin to place yarn contracts for the production of new spring cloths for delivery during January. Everything seems to indicate that nothing but a hand to mouth policy will be observed by both spinners and manufacturers until they are satisfied that wool values have reached the lowest point. There is little actual new business passing except small lots which are required to keep present machinery running. Some are of the opinion that spinners are accumulating orders without covering same in tops, and no doubt there has been considerable business placed with spinners who have taken prices in the expectation of being able to buy tops still cheaper. Already considerable forward business has been done by some topmakers who have accepted as low as 4s 2d for ordinary 64's. In the meantime prices, particularly merinos, if anything, rather tend in buyers' favour. Possibly when the Australian season opens the trade will feel justified in deciding a future policy. Dress goods manufacturers are particularly slack, and it is doubtful if there is more than 30 per cent. of the combing machinery running in Bradford to-day.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

No one can consider the last cable sent by Dalgety and Co., Limited, from Sydney, giving the production of wool for Australia and New Zealand for the year ended last June 30th without satisfaction. Only passing reference need be made to the estimated shortage of 300,000 bales in the production. It is far more important to know that Australia is credited with a production of 2,673,000 bales, compared with 2,712,438 bales for the previous year, a decrease of only 39,438 bales. Considering that the first six months of the wool year 1927-28 was seriously affected by drought, the performance is most creditable. Queensland had a very difficult time, but other parts of the Commonwealth, particularly West Australia, experienced a good season, and in the aggregate the production is wonderful. Australia is undoubtedly producing an excellent clip of wool, valued at £60,873,662, compared with £55,610,468 for the year 1926-27. Notwithstanding the decrease in production there is an increase in value of £5,263,194. The higher prices ruling last season will have helped to compensate many a pastoralist for the losses brought about by the partial drought.

Although the figures for Australia are good, those for New Zealand are better still. It is many years ago since the Dominion turned out an increase of 78,000 bales. The average price per bale worked out at £23 18s 4d, compared with £17 18s 8d the previous season, an increase of £5 per bale. Whether the advance in crossbred wool prices, which made this difference possible, was justified is doubtful, but at the moment pastoralists are having the benefit of it. Altogether the pastoral enterprise of Australasia must be regarded as prosperous, and everything clearly indicates that the forthcoming clip will be a record. Shearing will be general this month in Australia and will begin on many North Island farms, preparations now being made for the opening of the selling season in Sydney on August 20th.

HIDE, LEATHER, AND ALLIED TRADES.

The hide market is still unsettled, and values show a weakness at most sources of supply. The home market is unchanged, as practically no auctions have been held this week owing to the holidays, and values remain as last reported. A fair amount of business has been done in South American fregorifics, especially by Russia and the United States, latest quotations being 11½d for

best Argentine ox. Saladeros are steady, and at the recent auction of Liebig Paraguay hides, heavy ox made from 11½d to 11¾d, and light from 11½d to 11¾d. Dry River Plates are unsteady, but are regarded as dear at 18d, although 18½d has been asked at origin. Australian hides show a reduction, and dry salt meatworks may now be bought at 15½d. Latest cables from Chicago report the hide market as unchanged, 23½ cents still being asked for best packer steers.

Business in sole leather has been a blank as far as Bermondsey is concerned this week. Nearly all the shoe factories have closed down for a week or more for the holidays, and no orders for delivery have come to hand. Tanners are optimistic as to the future, and as they hold small stocks, and export demand continues good, they feel leather "will grow into money" if held. Much will depend on the clearance of footwear prior to the holidays and reports in this direction are re-assuring.

Dressed upper leather has, of course, been quiet, although a few sampling orders for black glacé, patent, and willow have come to hand this week. The darker shades of brown in glacé and willow seem to be wanted for autumn and winter shoes, but box calf is quiet, sellers holding out for firm prices in view of the high cost of raw skins.

VEGETABLE OILS AND OILSEEDS.

Markets resumed after the holiday very quietly with an easy tendency in most directions. Demand for linseed oil continues very poor and values are barely steady around £27 17s 6d per ton naked ex-Hull mill for "spot" and August, and £28 for September-December. Cotton oils have further declined and crude Egyptian now offers freely at £30 5s, technical refined at £33 15s, and common edible at £35 ex-Hull. Soya, palm kernel and rape oils are also easier. In the oilseed section linseed is in very slow request both here and on the Continent, and prices have had an easier feeling, Plate now being quoted at £15 10s on spot and afloat. Calcutta linseed to London is nominally £17 17s 6d for shipment to August-September. The quantity of oilseed on passage to Europe has advanced to 172,200 tons, which is 12,600 tons more than last week, and compares with 152,400 tons a year ago. Cotton seed is inactive. A few resale parcels of old crop Egyptian are on the market on the basis of £10 2s 6d for black. White new crop is nominally £10 7s 6d for October and November loading. Demand for oilcakes here is very moderate, but the Continental demand is reported to be fair.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Market remains quite steady, previous prices holding good for both spot and forward positions but trade moves quietly while largely under holiday influence. T.L. granulated, sold, 25s 9d; Dutch J, quoted, 25s 9d; white Mauritius, 24s to 24s 3d as to quality, with crystallised West India, from 24s to 26s 6d; Dutch J, granulated, ready, 13s 10½d, November-December, 13s 6d, f.o.b., Rotterdam. White Mauritius, September-October, to London, 17s, c.i.f. White Java, August-September, to Calcutta, 12s 8½d; October-December, 12s 9d; January-March, 12s 10½d, c. and f. Foreign 96 per cent. August, quoted, 11s 6d; preferential, 15s 4½d and beet 88 per cent., November-December, 11s 6d, c.i.f. terms. Home-grown granulated, 26s, ex factory. General progress of continental crops is by no means unfavourable, though in several localities weight of root is markedly less than last season. White Terminal manifested quiet features. August delivery, 13s 7½d; December, 13s 9½d; March, 14s 2½d to 14s 1½d; May, 14s 5½d per cwt. Stocks in the three chief ports of the United Kingdom for week ending August 4th amounted to 110,577 tons compared with 79,104 tons at same time last year. Cuban receipts last week, 46,500 tons, against 40,630 last year; exports, 9,220, against 102,710, and stocks, 981,980 against 936,130.

COFFEE.—Only a few and comparatively small parcels changed hands during the week, a holiday tone prevailing, and prices ruled unaltered.

TEA.—Market closed during the week and auctions will be resumed on Monday next.

COCOA.—Market very dull. Accra F/F, November-January, 51s 3d, f.o.b. Terminal continued to move downward, September delivery, quoted, 54s 9d; December, 55s; March, 54s 9d; May, 54s 9d. Cocoa butter, prime English, 1s 6d.

SPICE.—A dull and lower market ensued for pepper. Lampung, 24-July, quoted, 11½d; August-October, sold, 11½d to 11d; October-December, 11d; Muntok, August-September, 1s 6½d to 1s 6d; September-October, 1s 6½d to 1s 6½d per lb. Cloves nominally unaltered. Pimento, spot, 8½d lb; and August-September steamer, 1 cwt, c.i.f., London. Flake tapioca, 20s for Singapore, August-September, to Havre. Java, unaltered. Sago flour, near quoted, 14s forward, 11s 3d to 11s 4½d, c.i.f., U.K. African ginger, spot, London, 52s per cwt.

RICE.—Market remains without recovery regarding the European side of the commodity, and two stars Rangoon, August-September, London, sellers, 12s 10½d; Spanish oiled, September-October, to London, quoted, 17s 6d; Italian, 16s 9d cwt, c.i.f.

BEANS.—Market firm. Rangoon haricots, spot, 16s 6d; Madagascari butters, 22s to 26s cwt, as to sample.

PEAS.—Quietly steady. Japanese, spot, London, 24s; afloat, 24s 9d to 24s 3d; July-August, 23s 6d; August-September, new, 23s; September-October, 22s 3d cwt, c.i.f.

FRUIT (Dried).—Currants firm, with rather more inquiry. Pyrgos, 51s 6d; Patras, 53s to 54s; Amalias, 52s to 53s; Gulf, 55s to

INTERNATIONAL ACCEPTANCE BANK

INCORPORATED

Condensed Statement, June 30, 1928.

RESOURCES

Stockholders' Uncalled Liability	\$5,625,000.00
Cash on Hand and Due from Banks	\$7,304,407.75
Bankers' Acceptances and Call Loans Secured by Acceptances	11,408,177.25
U.S. Government, State and Municipal Bonds	12,503,033.55
Other Securities and Advances	24,684,724.89
Customers' Liability a/c Acceptances and Letters of Credit	65,417,219.29
	\$121,317,562.73

LIABILITIES

Subscribed Capital and Surplus	\$17,000,000.00
Capital and Surplus paid in	\$11,375,000.00
Undivided Profits	4,753,135.14
Dividends Payable July 16, 1928	170,625.00
Due to Banks and Customers	36,036,201.68
Acceptances and Letters of Credit Outstanding	68,714,970.42
Reserve for Taxes, etc.	267,630.49
	\$121,317,562.73

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57s; Vostizza, 60s to 62s. Sultanias, Smyrna dull. Common to medium, 38s to 55s; good to fine, 56s to 62s; Cretan, 48s to 65s; Australian, new ranges, from 50s to 110s; Californian, 38s to 48s; September-October, 24s; soda bleached, 28s, c.i.f.; Cape, 40s to 45s; bleached, 40s to 55s. Raisins quiet. Valencia quarter boxes range from 33s to 36s; Australian Lexias, 40s to 45s; Cape, 37s to 45s. Figs inactive. Genuine, spot, 25s to 30s, for shipment first half September, 23s; September, 21s to 22s, c.i.f. Dates: Spot market quietly steady. Business has opened in new crop, Hallowie, first tide being dealt in at 23s 6d to 22s 6d; and Star, 13s 6d to 12s 6d, c.i.f., Hamburg, also to Oran and Trieste at similar figures. Evaporated fruits: Market generally firm, plums being reservedly offered, while dearer for shipment. Apricots sell well, but other descriptions without material change. Californian pears, extra choice, 85s; fancy, 97s 6d. Apricots, royals, new crop, best, 117s 6d; second, 90s; third, 75s; Cape, new, second grade, 80s; third, 70s; Australian, 85s to 110s. Californian peaches, choice, 62s 6d; extra choice, 65s; fancy, 70s. Plums: Californian, small sizes range from 31s to 35s; and larger, 44s to 64s. Apples: Californian, spot, sliced, extra choice, 110s per cwt. Almonds in light supply and held for full rates. Apricot kernels: Indian sweet, spot, 100s; September-October, 100s, c.i.f. China, bitter, spot, 52s 6d; shipment, 56s, c.i.f. Hazel kernels: Kerasunde, spot, 87s 6d; Barcelona, 92s 6d per cwt.

CANNED GOODS.

CANNED FRUITS.—A fair demand continues for Californian fruits, and market firm, pears being in short supply. Quotations for new season's pack show little variation from the opening of last year. Singapore pines quietly steady with fair supplies available, with Hawaiian firmly held. Italian tomatoes dull, both spot and shipment parcels.

CANNED FISH.—Sardines steady, and all the better qualities sell readily. Portuguese clubs quoted 5s. Salmon firm. Red tails, spot, quoted, 48s to 51s; pink tails nominal, and halves sell at 33s to 35s. New pack prices are lower than last year, and a good business done. Lobsters steady at 140s to 145s for halves, and 77s 6d to 82s 6d quarters. Japanese crab firm, though larger arrivals are expected shortly.

CANNED MEATS.—In limited request, but ox tongues sparingly offered. Lunch tongues very quiet for the time of year.

CONDENSED MILK AND MILK POWDERS.—Milk: Full cream sweetened, English, spot, 45s; Dutch, 41s; August, 42s 6d; September, 43s 6d. Machine skimmed sweetened, English, spot, 27s 6d; Dutch, 26s; August, 26s 9d; September, 27s 6d; October-December, 28s; all in 5 cwt barrels. Powders: Spray, F.C., 26 per cent., 2 by 56 lb tins, prompt shipment, 96s; Spray, M.S. (1 cwt cases), 48s; Roller, F.C., 26 per cent., 82s 6d; M.S., 42s, all nett, duty paid, ex-wharf, London. On the grocery side, F.C.S., 20s 6d; M.S.S., 12s, basis per case, usual packing.

HONEY.—Quiet. New Zealand, 58s to 88s, as to quality; Jamaica, 32s to 45s; San Domingo, 32s 6d to 50s; Haiti, 31s to 47s 6d cwt.

RUBBER

There was a fair amount of business effected, buying orders being more general from all quarters, and market ruled firmer. Plantation standard sheet, spot and August, sold, 9½d to 9½d; September, 9½d to 9½d; October-December, 9½d to 9½d; January-March, 9½d. To New York, estate sheet, afloat also August-September, sold, 9½d to 9½d, c.i.f. London landings last week, 1,380 tons; deliveries, 2,531; and stocks reduced 1,151 tons to 34,294, against 64,179 at same time last year.

GENERAL

JUTE.—Sellers adopted a certain reserve, and market ruled firm. Firsts, old crop, July-September, quoted, £36; new August-September, sold, £37; November-December, £37 5s per ton.

SHELLAC.—In quiet support. T.N., spot, 217s 6d to 220s; October, 217s; December, sold, 197s 6d to 207s 6d per cwt.

HEMP.—A fair demand was reservedly met, and general stability governed the market. J2, August-October, buyers, £37 10s; K, September-November, sold, £31 10s; L1, August-October, quoted, £31 10s; L2, £27; M1, £27; M2, £26 per ton. Sisal nominal. Receipts last week 20,000 bales.

COPRA.—Continues a dull and uninteresting market. Strai F.M.S., August-September, Rotterdam, £25 15s; Dutch Ea Indies, £25 5s; Ceylon, £27; South Sea, K.D., to Marseille £24 17s 6d. Others call for no comment. Palm kernels, August September, Hamburg, £20 8s 9d per ton.

MISCELLANEOUS.—Coconuts quoted 18s to 23s per 100. Coir yarn Ceylon, £18 to £28 15s; Cochin, £28 10s to £40; Ceylon bristle £19 to £25 10s; cinnamon leaf oil, 4d; citronella, Ceylon, 2s 2d Java, 1s 1½d.

METROPOLITAN CATTLE.—August 9.

British Beasts, per stone of 8 lbs to sink the offal. Sheep per stone.

Beasts—Norfolk	Beasts—Heavy Bulls	Beasts—Downs	Beasts—Scottish
Irish	Canadian	Half bred	Scottish
Cambridge	Sheep—Downs	Ewes	Lamb—Downs
Short Horns	Half bred	Scottish	
Herts	Scottish		
Devon			
Leicester runts			

LONDON POTATO MARKETS.—August 9.

English Kidney	Per Cwt.
Edwards	7 6 8 0

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, THURSDAY.		DYE STUFFS, &c.		METALS—B. Copper		SUGAR—per cwt, duty 11s 8d.	
COCOA—Duty, British grown,		Galls, China, per cwt	65 0 0	Best selected	65 6 66 10	93 per cent, polarisation	22 0 0
Se 4d, foreign, 1½ cwt	80 0	Turmeric, Bengal	37 0 0	Sheets (strong)	94 0 0	B.W.I., muscovado	24 0 25 6
Trinidad	72 0	Madras, finger	32 0 0	Standard	62/76 62/10/0	Crystallised	24 0 25 6
Grenada	72 0	Gambier, block	32 0 0	Lead Eng. Pig per ton	22/10/0 0/0/0	Java, white, Calcutta,	
Ceylon, plantation	95 0 120 0	Cutch, ord. to fair	nom	Soft Foreign	21/2/6 21/5/0	Do U.K. Aug-Sept.	12 10 0 0
Guayaquil	70 0 81 0	DYEWOODS—		Spelter G.O.B.	21/8/9 24/13/9	Revived—London—	
Bahia, August	74 0 75 0	Brass	nom	Tin—English ingots	214/0/0 214/10/0	Yellow Crystals	25 0 0 0
COFFEE—British grown,		Fraxino, Jamaica	nom	Do do bars	216/0/0 216/10/0	Cubes	23 14 29 74
Se 4d, foreign, 1½ cwt	125 0	Cuba	nom	Standard, cash	215/5/0 215/10/0	Crushed	27 10 28 44
E. India, fine ord. g.d. mid	125 0	Lima Wood	nom	OILS—Fish, per ton	48 0 0	Granulated	23 4 27 0
Do good to fine	162 0 168 0	Logwood, Campeachy	nom	Seal, pale	48 0 0	Castor	28 7 31 3
Costa Rica, ord. to mid	110 0 150 0	Honduras	nom	Linseed, p. ton, net, naked	28 15 0 0	Pieces	21 0 25 6
Good to fine	165 0 185 0	Jamaica	nom	Rape, refined	42 10 0 0	Home Grown (prompt)	26 0 0 0
Central American, g.d. ord.	115 0 125 0	Red Sanders	nom	Crude	32 0 0 0	SPICES—Pepper, lb—	
to mid	130 0 150 0	Sapang Ceylon	nom	Cottonseed, crude	37 10 0 0	Muntok, fair White	1 11 0 0
Mid to fine	130 0 150 0	FLAX—spot—c.i.f.		Edible, refined	40 0 0 0	Black Singapore	1 11 0 0
Foxy	109 0 111 0	Riga ZK	97 0 0 0	Coconut, crude	46 10 0 0	White Siam	1 11 0 0
Colombian, ordinary	95 0 100 0	Pernau HD	0 0 0 0	Deodorised	46 10 0 0	Pimento	0 8 0 0
Do g.d. ord. to low mid	105 0 120 0	Blanets Medium 1st sort	107 0 0	Palm	33/7/6 35/0/0	Cinnamon—1st sort	2 4 0 0
Do mid to fine	130 0 160 0	FRUIT—		Lard, American	70 0 78 0	Do 2nd	2 3 0 0
CHEMICALS—		Oranges, Denta & Val	300 0 0 0	Petroleum—Oil, per 8 lbs	0/10/0 0/0	Do 3rd	2 2 0 0
Acid, citric per lb less 5%	1 10 0 10 0	Do	360 0 0 0	Water-White	0/11/0 0/0	Cassia Lignea	32 6 45 0
Nitric	0 2 0 4	Do S. African boxes	19 6 39 0	Oil Cakes, Linseed, Eng.	212/0/0 212/5/0	Cloves—Zanzibar	1 1 0 0
Oxalic, net	0 2 0 4	Do Jaffa boxes	14 0 0 0	Oil Seeds—Lined	15 10 0 0	Madagascar	1 0 0 0
Tartaric, English less 5%	1 4 0 0	Do Brazilian boxes	15 0 0 0	La Plata, p. ton Aug-Sept.	15 10 0 0	Ginger—per cwt	
Foreign	1 4 0 0	Do Murecia cases	300 0 0 0	Bombay, p. ton Aug-Sept.	18 5 0 0	Cochin, small rough	62 6 0 0
Cream of Tartar—		Melons, Val, case 24's	9 0 11 6	Calcutta, p. ton Aug-Sept.	17 15 0 0	Calicut	82 6 0 0
English per cwt less 2½%	96 0 0 0	Do case 36's	14 0 20 0	PORTLAND CEMENT—Best English		Japan	70 0 0 0
Foreign, 99%-100%	95 0 96 0	Lemons, Naples, cases	0 0 0 0	per ton delivered, London 53/0 55/0		Jamaica, ord. to good	90 0 135 0
Alum lump, per ton £9/10/0	10/0/0	Do boxes	30 0 66 0	Rapid hardening "Ferrocrete," 7.6		Mace	2 3 0 0
Do ground, £10/0/0	10/0/0	Do Sicilian boxes	29 0 50 0	per ton extra		Nummogs, 65's	1 3 1 0
Ammonia, carb., ton 37 0 39 0		Do Murecia cases	32 0 55 0	"Lightning" brand Aluminous Cement		10's and 80's	1 3 1 0
Muriate, White, ton 18 10 19 0		Grapes, Lisbon, boxes	0 0 0 0	100/- to 105/6 per ton.		Chillies—per cwt	160 0 0 0
Sulphate, ton 14 0 15 0		Almonds, cases	0 0 0 0	PROVISIONS—		TALLOW—per cwt.	
Arsenic, lump, per ton 35 0 40 0		Val, Ona, barrels	5 0 9 0	Butter—per cwt.		Good mutton	43 0 0 0
Powder, per cwt 18 0 19 0		Apples: American, brix	0 0 0 0	Irish creamery	174 0 180 0	Beef	42 0 0 0
Ashe, pot, 65 0 70 0		Australian (var.) boxes	0 0 0 0	Do factory	148 0 0 0	TAPIOCA—per lb—	
Bleaching powder, per ton 61/2/6 8/0/0		Tasmanian Boxes (var)	9 0 13 6	Australian	146 0 176 0	E. I. Flake, fair, spot	23 0 0 0
Borax, gran., per ton 19 0 20 0		HIDES—Wet salted—		Argentine	176 0 180 0	Medium Pearl	21 6 25 0
Do crystals	19 10 0 0	Australian, per lb	0 5 0 10	Dutch	174 0 190 0	Seed	21 0 25 0
Calomel	6 3 6 6	West Indian	0 4 0 9 2	Danish	182 0 0 0	TEA—any 5½d, British,	
Iodine, dry, per oz	1 0 1 1	Cape	0 6 0 10 2	Bacon, engd., Irish	110 0 114 0	foreign, 4d per lb—	
Nitrate of Soda, per ton 13/0/0 13/2/6		Lisbon	0 5 0 11	Danish	110 0 112 0	Indian and Ceylon—	
Potash—Chlorate, net.	0 3 0 3 4	Oporto	0 4 0 11	Canadian	92 0 102 0	Pekoe	0 11 1 10
Frassate	0 8 0 9	Dry & Drystalted Cape	0 9 1 6 3	American	92 0 102 0	Broken Pekoe	0 11 2 1
Do Foreign	0 7 0 7 2	Madagascar	0 6 0 10 3	Dutch	87 0 97 0	Orange Pekoe	1 1 2 1
Sulphate, per lb	0 11 0 12 0	Central American	0 7 1 6 3	Hams—Irish	nom	Broken Orange	1 0 2 2
Sal-Acetos, per lb	0 10 0 11 0	Buffaloes, Singapore	0 6 0 11 3	Canadian	120 0 122 0	Pekoe Bouchong	1 0 1 3
Sal-Ammoniac, per cwt	42 6 45 0	Penang	0 6 0 11 3	American	115 0 128 6	TIMBER—ex. yd—	
Soda Bicarb., per ton £9/0/0 10/10/0		E. I.	0 6 1 1	Laurel—Irish blades	64 0 74 0	Swedish n/s 3 x 8, Pt. Sid.	19 7 10
Crystals	5/0/0 5/5/0	Market Hides, London—		American boxes, 56 lbs 64	6 6 3 0	Do 2 1/2 x 4	19 0 0 0
Alkali	5/12/6 6/2/6	Best hy. ox & heifer	0 10 0 10 2	Pork—per 8 lbs	6 8 6 8	Can'tn Spruce, Dis.	17 10 0 0
Caustic	12/15/6 14/10/0	Do light do	0 8 0 10 4	Beef—Frozen per 8 lbs	2 6 5 6	Pitchpine	0 12 0 0
Sugar of lead, white, ton 0/0/0 0/0/0		Do light do	0 8 0 9 3	Scottish	7 8 8 0	Rio Deals	per std. 30 0 0 0
Foreign white	44 0 44 0	Best cow	0 8 0 9 2	Cheese—cwt—Canadian	109 0 112 0	Teak	per load 20 0 0 0
Sulphate Quinine—		Do light do	0 8 0 9 2	New Zealand	110 0 112 0	Honduras Mahg. logs, c.i.f.	0 6 0 0
English Brands	1 9 1 10	Best cat	0 13 0 1 4	Eng. Cheddars	114 0 130 0	African	0 6 0 0
Foreign	1 8 1 9	Do light do	0 12 0 1 2	Cheeshire	56 0 98 0	Greek	0 10 1 6
Sulphate Copper per ton 26/0/0 27/0/0		Do light do	0 12 0 1 2	Dutch	56 0 98 0	East Indian	0 5 1 0
Zinc, cut	nom	Do light do	0 12 0 1 2	Eggs, per 120—English	14 0 18 0	Cigars, duty 1s 7d per lb.	42 6
Sulphur Flour	9/0/0 9/10/0	Do light do	0 12 0 1 2	Irish	13 6 15 0	WOOL—per lb—	
Do Roll	8/0/0 8/10/0	Do light do	0 12 0 1 2	FLOUR—280 lbs—		English, Southdown, washed	29
Vermilion, Chinese, per lb	6 3 6 6	Do light do	0 12 0 1 2	London standard ex mill	37 0 0 0	Do Lincoln hog	46
English	6 0 6 3	Do light do	0 12 0 1 2	RICE—per cwt, c.i.f.—		Queensland, red, super combg.	28
Oil Peppermint, H.G.H.	19 0 19 6	Do light do	0 12 0 1 2	Bangkok, No. 2	13 0 0 0	N.S.W. greasy, super	26
COPRA—per ton, c.i.f.—		Do light do	0 12 0 1 2	Bon 1a	12 14 0 0	N.Z., grey, half-bred 60-55	18 1/2
Malabar, Aug-Sept.	0 0 0 0	Do light do	0 12 0 1 2	ROBIN—per ton—		Crossbred 40-44	18 1/2
Ceylon	27 2 6	Do light do	0 12 0 1 2	American	20/0/0 25/0/0	Wool—per lb—	
FMIS Singapore	26 0 0	Do light do	0 12 0 1 2	French	20/15/0 22/0/0	English, Southdown, washed	29
FM Straits	25 10 0	Do light do	0 12 0 1 2	SAGO—Pearl, per cwt.	24 6 26 6	Do Lincoln hog	46
COCHINEAL—per lb	2/6 3/6	Do light do	0 12 0 1 2	SHELLAC—per cwt—		Queensland, red, super combg.	28
DRUGS—		Do light do	0 12 0 1 2	Orange, first marks	275 0 330 0	N.S.W. greasy, super	26
Alone, fine E.L., per cwt	10 130 0	Do light do	0 12 0 1 2	Second, fair to fine	245 0 275 0	N.Z., grey, half-bred 60-55	18 1/2
Cape, good to fine	40 0 42 6	Do light do	0 12 0 1 2	TN Orange	220 0 230 0	Crossbred 40-44	18 1/2
Balsam Peru	0 5 2 6	Do light do	0 12 0 1 2	Garnet, Lac. AO	230 0 235 0	W. Australian	13/0/0
Capivi	1 5 1 7	Do light do	0 12 0 1 2	Biston—Lac.	240 0 245 0	Bombay	4/5/0 6/7/6
Camphor—		Do light do	0 12 0 1 2	Blocky (TN)	210 0 220 0	SILK—per lb—	
Japan, refined	2 3 2 4	Do light do	0 12 0 1 2	Sole Bends 6/8 lb	2 0 2 7	China—Blue Elephant	14 6 0 0
Cardamoms, Ceylon	3 3 7 9	Do light do	0 12 0 1 2	Do 10/12	2 0 2 7	Canton	16 0 18 0
Cardamoms, China, per lb	1 6 1 8	Do light do	0 12 0 1 2	Do 12/14	2 1 2 8 1/2	Tussah	8 0 10 0
Castor-oil	85 0 95 0	Do light do	0 12 0 1 2	Do 14/16	2 1 2 8	Re-refined	14 6 16 6
Gum Benjamin Sum, cwt	6/0/0 10/0/0	Do light do	0 12 0 1 2	Do 17 lb and up	2 1 2 8	Japan	19 0 22 0
Olibanum, drops, fair to good	80 0 100 0	Do light do	0 12 0 1 2	Bark Tanned Sole	3 0 4 0	Italian—Raw, fr. Milan	21 0 24 0
Ipecacuanha	12 6 0 0	Do light do	0 12 0 1 2	Shoulders tm DS Hides	1 1 1 5 1/2	SHELLS—M.-o.-P., per cwt—	
Jalap	2 0 0 0	Do light do	0 12 0 1 2	Do Eng. or WS do	1 8 2 4	Manilla, bold	£8/0/0 8/10/0
Musk pod, China	0 65 0 0	Do light do	0 12 0 1 2	Bellies from DS do	0 11 1 1	Macassar, red, super combg.	8/0/0 8/10/0
Oil, Cassia	9 2 0 0	Do light do	0 12 0 1 2	Do Eng. or WS do	0 11 1 1	Sydney	7/10/0 12/15/0
Aniseed	2 2 0 0	Do light do	0 12 0 1 2	Dressing Hides	2 6 3 0	W. Australian	13/0/0
Peppermint, Wayne Co.	14 6 14 9	Do light do	0 12 0 1 2	Ro. Eng. Calt, 20/30 lb	4 0 6 0	Bombay	4/5/0 6/7/6
Rhubarb, China, fr to in.	3 3 3 9	Do light do	0 12 0 1 2	Aust. Hides	1 3 1 9		

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Correspondents to the Italian Treasury.

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There is little doubt that the Bank is succeeding in its object of stabilising discount rates at $4\frac{1}{2}$ per cent., and market rate has consequently remained at this level. Some anxiety has been felt lest America might draw gold from London, and this has helped to raise rates. The lower gold point, however, is $\$4.85\frac{3}{8}$, and the exchange has not yet fallen quite to that level. The Continent has continued to buy bills freely, and the French banks in particular are re-investing their heavy August maturities. This confirms the view that we have always held, that there is no real likelihood of heavy French withdrawals. Continental bill purchases, however, are largely being balanced by German trade bills drawn on London, which are now being sent over for discount, and so there seems every possibility that the stabilisation of market rate will prove successful.

	Aug. 16, 1928.	Aug. 9, 1928.	Aug. 2, 1928.	July 26, 1928.	Previous Rate and Date Changed.
Bank Rate	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	5 (Apl. 21, '27)
Banks' Deposit Rate	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	3 (Apl. 21, '27)
Discount (Call)	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	3 (Apl. 21, '27)
Houses (Notice)	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	3 (Apl. 21, '27)
Market rate (3 months' bills) ..	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	..

The Bank return reveals a decrease of £284,477 in the stock of coin and bullion. As the circulation has fallen by £983,790, the reserve has increased by £699,313. The proportion of reserve to liabilities has risen by 1½ per cent. Public Deposits have increased by £166,021, but there has been a shrinkage of £1,905,475 in Other Deposits. Government securities have fallen by £390,000, and Other securities by £2,017,954. Currency notes were reduced by £5,242,000 to £295,577,000, which includes £1,250,800 for notes called in but not yet cancelled. The fiduciary issue is £238,076,500, or £6,858,600 below the maximum for 1928.

The monthly statement of average weekly balances of the London clearing banks for July, which is given in detail on a later page, shows a further increase in deposits and a marked expansion in acceptances.

Million £s.

	Mar., 1928.	April, 1928.	May, 1928.	June, 1928.	July, 1928.
Capital and reserves	129.3	129.3	130.0	130.5	130.5
Acceptances	156.5	150.0	150.4	150.8	159.7
Deposits (incl. undiv. profits, &c.) ..	1,672.6	1,690.5	1,688.0	1,736.4	1,748.9
Total liabilities	1,958.4	1,969.8	1,968.4	2,017.7	2,039.1
Coin, notes, balance at bank, and cheques in course of collection ..	238.8	247.7	247.1	259.3	248.5
Money at call	145.6	151.1	145.9	151.5	145.3
Investments	259.5	257.0	256.7	255.6	260.0
Discounts	195.5	197.1	198.9	234.3	255.2
Loans and advances	928.8	933.1	935.5	931.7	933.2
Cover for accept., promises, &c.	190.2	183.8	184.3	185.3	194.9
Total assets	1,958.4	1,969.8	1,968.4	2,017.7	2,039.1

Cash has receded nearly to the level of last April and May, and call money is also lower. Investments have expanded, and discounts are noticeably higher. Advances are unchanged. In general the statement provides evidence of an increase in the volume of bills now coming forward for acceptance and discount.

NEW YORK MARKETS.

Our New York correspondent cables:—With reference to the sharp drop in the call money rate, it is apparent that the Federal Reserve authorities have been buying bills freely this week, the statement showing an increase of \$28,000,000. Meanwhile, member banks have cut down their discounts by \$59 millions, practically all of which is at New York. This has probably been done in response to the official urgings last week. The developments that have taken place indicate that the reserve authorities are willing to supply the seasonal demand for credit at existing rates, and do not desire a higher discount rate. The share market responded to cheaper money rates, and the indications are that general business will be good this autumn.

THE STOCK MARKETS.

Although, as is normal at the height of the holiday season, the volume of business in the Stock Exchange has been very light this week, nevertheless, the new

account opened with a satisfactory tone, and no disposition to sell is visible. The only market to enjoy any liveliness was the oil share section, where all the leaders, with the exception of V.O.C., are meeting with persistent support. Monetary tension caused gilt-edged stocks to be easier, the issue of 5 per cent. Treasury bonds announced on Thursday having little immediate effect, while in the foreign bond section Chinese strengthened for political reasons. Home rails eased off; the industrial share market was irregular with some improvement later in the week; nitrate shares were the subject of inquiry; rubber shares improved, though business was very small. In the mining markets features were advances in Chartered and De Beers.

THE COMMODITY MARKETS.

Most market reports are a little more promising. Wheat prices are firmer on a slightly increased demand. The coal trade remains lifeless, but a little more business is passing in Glasgow and Cardiff. Iron and steel manufacturers are more hopeful and Continental competition appears to be less keen. Tin and copper are weak, but other metals remain firm. Some anxiety is being felt about the American cotton crop, but the sharp advance in Liverpool prices which followed the publication of the Bureau report has since been lost. Manchester goods, however, are in better demand in most markets, with the exception of China and the Near East, buyers having been attracted by unusually favourable prices. Output is reduced in all sections of the Bradford wool trade. Little business is being done in jute yarns, but prices are firm. Some jute cloths are in good demand. Most classes of hide and leather are steady, but trade in dressed leathers is slow. Stocks of shoes are believed to be lower.

FOREIGN EXCHANGES.

The foreign exchange market was quiet during the past week. Turnover was on the small side, especially in the nearer Continental exchanges, where the holidays on Tuesday afternoon and Wednesday (Feast of the Assumption) contributed towards a paucity of business. Sterling on New York sagged after 4.85½ on Friday last to 4.85 7-32 on Tuesday, and closed at 4.85½. In view of the consistent, steady demand for dollars, anxiety is still apparent as to the possibility of gold shipments eventuating in the near future. Since only sovereigns are expected to arrive from South Africa during the next week, bullion from the Bank of England will be the sole available supply. Forward dollars continued to be offered, closing ¾ cent discount for one and 1½ cent discount for three months respectively. The Federal Reserve rediscount rate was not altered last Thursday, but advices from New York continue to regard a further rise as probable. There was a heavy demand for Canadian dollars, the rate moving from a discount to a premium against New York funds, and after being 4.85 on Tuesday closed at 4.85½, as against 4.85½ last week. Forward Canada was unchanged. Paris continued to depreciate, closing at 124.27, with forwards 5c and 15c premium for the one and three months respectively. Both spot and forward Brussels were unchanged on the week. The Dutch exchange moved in favour of sterling, closing 12.10½ after being 12.10½ on Tuesday. Forward guilders continued in demand at discounts of ½ cent for one month and ¾ cent discount for three. From 29.05 last week the Spanish peseta declined to 29.13, and though a good volume of business passed, the Spanish authorities and their representatives obviously maintained adequate control of the market. Forward pesetas were unchanged from last week. Spot Milan was steady throughout the week, but forwards were more wanted at 5 cents discount for one and 15 for three months. Switzerland improved fractionally to 25.21½. Among the Scandinavian exchanges Stockholm fell to 18.13 during the week, but closed at 18.13½. During the early part of the week Berliu moved in favour of sterling, being 20.39 on Monday; a reaction to 20.36½, however, occurred at the close. Forward marks were better at 3½ and 8½ pfennigs discount for one and three months. Among the South American exchanges, Rio was 5 59-64d, Monte Video

50½d and Buenos Aires 47½d. The yen relapsed during the week to 1s 10½d. There was a better demand for rupees, which improved to 1s 5 31-32d, as against 1s 5 29-32d last week. Lisbon further depreciated to 107½, while Batavia was 12.11½. Hong Kong was 2s 0½d and Shanghai 2s 8½d. After rising to 27½d for spot and 27½d for forward delivery, silver closed quiet at 27½d and 27½d respectively. Other rates were unchanged, except Turkey, which improved to 937 from 943 last week.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended August 11, 1928:—

(000's omitted.)		
EXPENDITURE.		RECEIPTS.
Supply Services	4,425	From Revenue
Interest, &c., on Debt	2,207	10,030
Sinking Fund	625	
Decrease in Debt	2,544	
Increase in Balances	229	
	10,030	10,030

The total Ordinary Revenue for the week amounted to £10,030,200, as compared with £10,685,100 in the corresponding week last year. Property and Income-tax was lower at £3,470,000, against £4,809,000, and Super Tax at £170,000, against £240,000. Estate Duties brought in £2,570,000, as compared with £1,265,000. Customs and Excise were lower at £1,951,000 and £863,000, against £2,115,000 and £1,265,000 respectively. Ordinary Receipts amount to £25,000, as compared with £740,600, and Special Receipts were nil, against £216,800. The national debt was reduced by £2,544,000, as shown below.

(000's omitted.)					
Public Department Advances	—	£ 4,100	Treasury Bills	+	£ 2,306
National Savings Certificates	—	350			
Sundries	—	400			
		4,850			+ 2,306

The floating debt was reduced by £1,800,000 to £766,315,000.

FINANCIAL YEAR, 1928-29, April 1 to August 4, 1928.

£		£	
Expenditure	284,230,591	Revenue	197,567,754
		Amount borrowed ..	83,127,633
		Decrease in balances ..	5,535,204
	284,230,591	Total	284,230,591

ESTIMATES (New Basis), 1928-29.

£		£	
Expenditure	676,581,000	Revenue	*756,083,000
Sinking Fund	65,000,000		
Surplus	14,502,000		
	756,083,000		756,083,000

* Includes £13,200,000 from Currency Notes Assets.

SELF-BALANCING REVENUE AND EXPENDITURE.

£	
Post Office	57,314,000
Road Fund	21,300,000
	78,614,000

The surplus of £4,239,000 for 1927-28 is carried forward.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies.—Mitchells and Butlers and Watney Combe Reid.

ECONOMIST INTELLIGENCE BRANCH.

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

MONETARY POLICY AND PROSPERITY.

"It is very possible therefore that the policy of the Bank of England over this period (the last five years) has reduced the wealth of Great Britain by no less than £500,000,000." With this arresting phrase Mr Keynes concludes a recent article criticising our monetary policy in past years, and suggesting that we should stimulate prosperity by a moderate measure of inflation. It is based on nothing more substantial than the conjecture that if

our policy had been different half our unemployed would have been kept at work for this period. Such an assumption is, in our view, entirely unjustified. The economic readjustment that has been slowly going on in this country is not primarily due to monetary causes, but to more fundamental changes, both internal and external, in our industrial situation. The rivalry of oil and all the other causes which have depressed the demand for coal throughout the world, the plethora of ships resulting from the war and the subsequent low level of international trade, the growth of industries overseas which had begun before the war, and the effect of which was obscured during that struggle—these and other influences on which we have constantly laid stress have involved this country in a prolonged period of readjustment. An inflationary policy could not in any circumstances and in the long run have saved us from this readjustment, which would probably have been more severe if it had been artificially postponed.

We do not mean to imply that monetary policy has been unimportant in recent years. Broadly two courses, other than the one we adopted, were open to us. On the one hand, we might have returned to a gold standard in 1923 or 1924 at a rate of, say, 4.40 dollars to the £. Such a devaluation of sterling would have kept sterling prices here relatively high compared with those in the United States and in world markets, and it is possible that the discrepancy between sheltered and unsheltered wages which followed the fall of prices might have been less than it has actually been. This discrepancy has played some part in affecting our competitive power, and a policy of devaluation might have diminished it. But it is not to be supposed that it would have done away with the discrepancy altogether. On the other hand, such a policy would have shaken confidence in London as a monetary centre, our commercial and financial activities would have been greatly curtailed, and it is very uncertain, even from the point of view of the total volume of employment, on which side the balance would have lain. The other possibility, namely, postponing indefinitely our return to the gold standard, had even less to be said for it. Such a plan would unquestionably have delayed the return to the gold standard throughout the world, and would have maintained for years the state of uncertainty from which we suffered during the worst period of depression, and which was largely the cause of our troubles. The malady affecting world trade would have been prolonged; we should have remained in the infected area, and should have seen the reviving trade of the remoter parts of the world pass more and more surely out of our hands. Against any temporary advantage that some industries might have reaped from escaping an adjustment of their price-level, therefore, we should have had to face a very serious and permanent loss.

The truth is that British industry has had to meet new conditions. A change in the balance of our industrial activities has proved inevitable, and throughout the country we have needed to face a process of modernisation of plant, and to introduce a new relationship between management and workers, new methods of internal organisation and an enlargement in the scale of industry. In this connection it is noteworthy that Mr Keynes argues that our costs are too high because the wage index has been practically stationary while the price index has been falling. But this is precisely what ought to happen when important changes are taking place in industrial technique, and it is, in fact, what has been happening on a large scale in the United States. It is surely a fundamental error to assume that because wages are stationary wage costs are not falling. In short, the processes summed up in the vague and clumsy word "rationalisation" are the only means of re-establishing our industrial position. It is a satisfactory sign of our economic vitality that these processes have already extended over so large a proportion of British industry, and that in consequence the unemployment has been so largely localised in depressed districts. Neither protection nor inflation can save us from the necessity of carrying out these processes to their utmost.

But if these are the major factors, the monetary

problem cannot be dismissed as having little influence. Still less is it the case that this problem has become a matter of historical or academic interest. On the contrary, it is one which even in the near future should attract increasing attention. Up to the present we have been following a well-marked route; but six years ago the Genoa Conference pointed out that, "once the foreign exchanges have been stabilised on a gold basis, monetary policy should aim at regulating credit, not only with a view to maintaining the currencies at par with one another, but also with a view to preventing undue fluctuations in the purchasing power of gold." Since 1922 much water has flowed under the bridges and some experience has been gained on this matter. In recent years the Federal Reserve authorities of the United States have definitely tried to prevent undue fluctuations of prices, and have taken the view that the big stocks of gold in America should not be allowed to have their full effect upon prices, but should, when circumstances warranted, be returned to other countries with a view to re-establishing the gold standard on a firm foundation throughout the world. This return of America's gold stock has, of course, taken place recently on a substantial scale. It is, however, by no means clear that these matters can be arranged as simply as is sometimes supposed. The Federal Reserve authorities, in spite of their efforts, have not prevented a general sagging movement in prices. Moreover, under the encouragement of the low rates maintained in the United States there has developed a great Stock Exchange and real estate boom in that country. It is one thing to endeavour to regulate the available quantity of money in a country, but it is quite another to ensure that it will not flow into undesirable channels. There is a possibility that the situation on the other side of the Atlantic may lead the Federal Reserve authorities to suspend or reverse the policy of allowing outward gold movements. This would at once create a doubt as to the future value of gold. Moreover, the uncertainty would be increased if other countries began to compete keenly for gold. The basis of the currency system in India, which is one of the largest of the world's gold users, remains uncertain through the defeat of the Bill for the establishment of the new Central Bank of India. There is reason to think that many people in France still hanker after a restoration of a gold circulation, and that France is in a position to attain it, while other nations are showing increasing unwillingness to be satisfied with a currency system built up upon reserves held abroad. If the situation were to develop into a general scramble for gold, it would unquestionably have the most harmful reactions on world trade generally.

Mr Keynes is perfectly right in pointing out that this matter is one on which the Bank of England cannot act alone, but is an international question. As the chairman of the Standard Bank of South Africa recently pointed out:—

The stabilisation of currencies has increased the demand for gold, and the redistribution of monetary stocks is proceeding more rapidly than was anticipated, partly as the result of heavy foreign lendings by the United States. On account of the higher level of prices, the structure to be supported by the gold base is greater than before the war, and it is doubtful whether the present rate of gold production is keeping pace with world development, while the total of the gold output trends downwards.

In the altering circumstances the future is more likely to be concerned with the appreciation of gold than its depreciation, and the problem of greater stability of value is one for all gold standard countries.

A great deal will have been accomplished if, by co-operation, the short-time fluctuations in the value of gold can be levelled out, and the long-time movements made so slow and smooth as to be almost innocuous to production and trade. A measure of control in the lessening of the bad effects of booms and depressions would enable a fairly even keel to be kept, and make gold a better and more efficient standard of value.

The problem is not purely a matter for bankers, for it affects the economic life of the whole world. We therefore welcome the initiative that has been taken by the League of Nations in regard to it. Our readers will remember that the Consultative Committee of the Economic Organisation of the League referred to the problem in its report last May, and recommended it to the attention of the Economic and Financial Organisation. The matter was taken up three weeks later by the Finance Committee, and at the June meeting of the Council this Committee

was requested "to consider to what extent and in what way the League of Nations could most usefully assist in the study and solution of the problem of undue fluctuations of the purchasing power of gold."

Clearly there is much work to be done on this problem. In the first place, the facts must be compiled not from the point of view of any one country, but from a world standpoint, and the prospects of gold production considered in relation to demand. Then the objectives of monetary policy must be reconsidered in the light of experience, and only after this has been done will it be possible to discuss whether effective action is possible. Whether this last stage is reached or not, much will have been gained if it should prove possible to define and to agree upon an international aim which will be in the interests of all parties. Experience alone can prove whether it can be put into practice. Preliminary steps to carry out the mandate entrusted to them by the Council will presumably be taken by the Finance Committee at its forthcoming meeting, and thus a new and important phase will be opened in post-war monetary history.

THE DEATH OF STEPHEN RADITCH.

ON the evening of Wednesday, August 8th, Mr Stephen Raditch, the leader of the Croat Peasant party, died at Zagreb—the national capital of the Croatian people—of the wound which he received on June 20th in the Serb-Croat-Slovene Parliament House at Belgrade, at the hands of a Serb deputy. It is possible that the wound would not have proved fatal if Mr Raditch had not been suffering already from more than one serious malady; but that does not in any way condone the crime, for the assassin's intention was to kill, and he did succeed in killing outright Mr Raditch's nephew and another of his Croat fellow-deputies. Mr Raditch's death in these circumstances, following upon the two deaths on June 20th, not only removes a picturesque and amiable, if sometimes disconcerting, player from the stage of European politics, but might prove, if things went badly, to be a serious calamity for the European commonwealth of nations. The tragedy of his death threatens to bring Serb-Croat relations—which have been strained since the morrow of Serb-Croat union in 1918—to breaking point; and any serious internal convulsions in Yugoslavia might have a dangerous effect upon Yugoslav relations with Italy, Albania, Hungary, and Bulgaria. Against these possibilities of danger we may set the stabilising influence of the Little Entente, and it is all to the good that the Belgrade Parliament has now ratified the Nettuno Conventions between Yugoslavia and Italy. Nevertheless, the general situation in South-Eastern Europe can hardly be regarded as secure so long as the relations between the three peoples whose association constitutes the triune kingdom of the Serbs, Croats, and Slovenes remain unsatisfactory. Conversely, we may add that, if a satisfactory internal equilibrium is attained in Yugoslavia, this may have a great effect for good upon Yugoslavia's relations with her neighbours, particularly, perhaps, with Bulgaria.

For sophisticated observers, whose experience has been obtained in countries with a relatively mature political life, Stephen Raditch's influence over his fellow-countrymen has been something of a mystery. As a statesman he was an "impossibilist"—impracticable to an almost extravagant degree—and though he was perpetually tacking in his erratic political course, he never seemed to let himself be tempted—even accidentally and momentarily—into a position which offered any prospect of a mutually profitable understanding with his political opponents. What, then, was the secret of his hold upon the imaginations and affections of the Croat peasantry—a prestige which seemed capable of surviving any number of political escapades and fiascos? The explanation seems to be that an unsophisticated peasantry does not look for "practical statesmanship" in its political leader. The intricacies of practical politics lie far beyond the peasant's horizon. What the peasant requires of his leader is that he shall divine, intuitively, the peasant's state of

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mind, and shall express it, spontaneously, sincerely, and mightily, in his own speech and action. In fact, the peasant wants a leader who is a generalised and magnified type of the peasant himself; and this requirement was fulfilled by Raditch absolutely. As he went about his work in his, to our minds, rather fantastic way he was giving his constituents the feeling that in this expressive man their own inarticulate temperament was being bodied forth to the world. This was all that the Croat peasantry required of Raditch; but, when we think of it, it was a good deal. In the truest sense Raditch was a representative of his people.

What is the underlying cause of this friction between Croats and Serbs which Raditch's death now threatens to inflame? This, again, is a puzzle to distant observers who, having with difficulty made themselves aware of these people's existence, have learnt that the Serb and the Croat are long-lost brothers, and that the frustration of their desire for political unity was one of the causes of the General War of 1914-1918. If the Serbs and Croats really did desire union so ardently that they would not rest from striving for it until the Hapsburg Monarchy, and half the *ancien régime* of Europe into the bargain, had been laid in ruins, why, since they have got their way, have they proved such uneasy yoke-fellows?

One answer to this question seems to be that the unity of Yugoslavia has been achieved from the wrong end, as may be inferred by a comparison of the national unification of Yugoslavia with that of Italy. In Italy—the most successful example of national unification in modern times—the initiative was taken by the most civilised and progressive constituents of the nation in the making. Piedmontese and Lombards and Romagnols took the lead; Sicilians and Neapolitans and Abruzzesi fell into line. In Yugoslavia, on the other hand, the lead has been taken by the element which, from the cultural point of view, is most backward, that is, by the Serbs, owing to the accident that the Serbs were able to win their local political independence from the relatively feeble Ottoman Empire at an earlier date than the Croats were able to win theirs from the relatively potent Hapsburg Monarchy. Indeed, whereas the Serbs won their independence by the strength of their own right arms, with little aid from the Russians, and with some hindrance from the Austrians, and this a century before the Great War, the Croats had to wait until the Serbs, in concert with the Great Powers of the Entente, won their independence for them by breaking up Austria-Hungary; and this method of national unification was fraught with possibilities of misunderstanding.

The Serbs, having borne the burden and heat of the day, expected to be masters in the new triune kingdom, which they regarded as their own handiwork. In fact, they thought of Yugoslavia as a kind of greater Serbia; and they have acted on this view with the self-confidence which a century of self-determination in politics and war has given them. The Serbs, however, have become effective soldiers and fairly effective politicians before they

have altogether grown out of being barbarians; and there is a roughness and a coarseness in their methods which is bound to offend the susceptibilities of populations accustomed to the rule of modern Western governments—even when they were treated by those governments as subject nationalities, which was more or less the position of the Croats under the Hungarian Government and the Slovenes under the Austria Government before the War. Serbian methods have been resented by the Croats all the more keenly because the Croats regard themselves, not unreasonably, as the most civilised and progressive constituents of the inchoate Yugoslav nation, and, therefore, expect to take the lead in the new national life, at any rate in the arts of peace. The situation would be easier if the Croats had no pretensions to distinction in the arts of war—but this, of course, is not the case, for the Croats have a military tradition which is as strong as that of the Serbs in its own very different way. For generations the Croats served in the Hapsburg Army with a professional pride which reminds an Englishman of the *esprit de corps* of the Highland regiments in the British Army. Latterly, the Croats' souls were torn between the new Yugoslav sense of nationality and this old Hapsburg military tradition. During the War, they fought once again, willy-nilly, the Hapsburg battle. At the moment when the triune kingdom of Yugoslavia was born, the Hapsburg military tradition came to an abrupt end. No Croat wishes now to revive it at the cost of national unity and independence, yet its presence in the background of his consciousness obviously makes it impossible for him to reconcile himself to any kind of Serb ascendancy based on force.

For these reasons the Croat reacts to any touch of the Serb's whip with a fury of which the Western observer may form a faint conception from the analogy of the West and South German's attitude towards the militarism of the *Ost-elbisch* Prussian. But the analogy is inadequate; for the Prussian, after all, is only a more backward and boorish member of the same society to which the Bavarian and the Swabian and the Rhinelander belong. His tradition of civilisation is ultimately the same as theirs. On the other hand, the Croats and the Serbs present the paradoxical spectacle of two peoples speaking one national language who yet belong to different worlds. For a full millennium before the foundation of the Serb-Croat-Slovene State in 1918, the Croats had been Catholics and the Serbs Orthodox; the Croats had looked to Rome and to the West, the Serbs to Constantinople; the Croats had read and written in the Latin script, the Serbs in the so-called "Cyrillic." Is it possible to fashion a single nation, on a purely linguistic basis, out of populations which have been moulded for centuries by different civilisations? That is the experiment that has been in progress in Yugoslavia (and also in Greater Rumania) during the last ten years. The tragic death of Mr Raditch confronts the Serbs and Croats, rather abruptly, with the question whether this experiment is to be a success or failure.

THE NEW COMPANIES ACT. II.—ACCOUNTS AND BALANCE-SHEETS.

(BY A CORRESPONDENT.)

A COMPANY is now for the first time required by law to keep proper accounts (Section 39). This section requires every company to keep accounts of all sums of money received and expended, and of the matters in respect of which the receipt and expenditure takes place; of all sales and purchases of goods by the company; and of the assets and liabilities of the company. Section 74 provides that proper accounts shall be deemed not to have been kept, if there have not been kept such books and accounts as are necessary to exhibit and explain the transactions and financial position of the trade or business of the company, including books containing entries from day to day, in sufficient detail, of cash received and paid, and, where the trade or business has involved dealings in goods, statements of the annual stocktakings, and (except in the case of goods sold by way of retail trade) of all goods sold and purchased, with sufficient detail to enable the goods, and the buyers and sellers, to be identified. Heavy penalties are imposed upon directors and officers of companies which fail to keep proper accounts.

Every company, public and private, is now required to lay before the company in general meeting not only a balance-sheet, but also a profit and loss account, or, where a company does not trade for profit, an income and expenditure account. Both accounts must be made up to a date not earlier than nine months before the meeting, unless the company has interests abroad, when twelve months is allowed. The Board of Trade can in special cases extend these times. The Act does not specify what is to be included in the profit and loss account or in the income and expenditure account, beyond requiring (Section 79) particulars of directors' remuneration to be given. This matter is dealt with in greater detail later. The Act does, however, lay down in some detail the matters which must be dealt with in the balance-sheet.

The balance-sheet must contain summaries of the authorised and issued share capital, the liabilities, and the assets, with such particulars as are necessary to disclose the general nature of the liabilities and assets, and to distinguish between the amounts respectively of the fixed assets and of the floating assets. The balance-sheet must also show how the values of the fixed assets have been arrived at. The following must be stated under separate headings in the balance-sheet so far as they have not been written off:—Preliminary expenses; any expenses incurred in connection with any issue of share capital or securities; the amount of the goodwill, and of any patents and trade marks, so far as ascertainable from the books of the company or from any contract for sale or purchase of property, or from any documents in the possession of the company relating to stamp duty. Where any liability is secured, the balance-sheet must show that it is secured, but need not specify the actual assets on which it is secured. The aggregate amount of the shares in and indebtedness of subsidiary companies must each be stated separately from all other assets, and liabilities to subsidiary companies must be shown separately from all other liabilities.

All the above provisions will be found in Sections 39 and 40 of the Act, but other sections of the Act require certain additional information to be given in the balance-sheet. By Section 47 (2) where a company has power to re-issue debentures that have been redeemed, particulars of these debentures must be included in the balance-sheet. By Section 79, the amount of any loans made during the period to which the accounts relate either by the company or by any person under guarantee from or security provided by the company, to any director or officer must be shown in the accounts, together with any repayments during the period, and all amounts still outstanding of previous loans. This provision, however, does not apply to loans made in the ordinary course of business by a

company whose ordinary business includes the making of loans, nor to certain loans to employees. By the same section the accounts must show the total amount paid to the directors as remuneration for their services, inclusive of all fees, percentages, or other emoluments paid to or receivable by them from the company or any subsidiary company, but this does not apply to a managing director, nor does it apply, in the case of a director holding a salaried employment or office, to anything beyond his fees as director.

Where a company has issued shares at a discount pursuant to Section 37, every balance-sheet issued thereafter must contain particulars of the discount allowed, so far as it has not been written off. By Section 18, where a company has issued redeemable preference shares certain particulars relating thereto must be given in the balance-sheet and Section 16 requires that there shall be shown separately in the balance-sheet all loans or financial assistance made or furnished by the company in connection with schemes to enable employees to acquire shares in the company.

The balance-sheet must, by Section 39 (4), have attached to it a report by the directors with respect to the state of the company's affairs, the amount of any dividend recommended and the amount proposed to be carried to any reserve fund, general reserve, or reserve account shown specifically on the balance-sheet, or to be shown on a subsequent balance-sheet. The section appears to have been so worded as to leave directors free to provide internal or secret reserves, to such extent as the law permits. By virtue of the new Act the auditors' report must now be attached to the balance-sheet, and the old provision, which permitted a reference to the report to be made on the balance-sheet, and the report itself to be a separate document, has been repealed.

By Section 40, in the case of a holding company there must be annexed to the balance-sheet a statement signed by the parties signing the balance-sheet, stating how the profits and losses of any subsidiary company or companies (which may be dealt with in the aggregate) have been dealt with in, or for the purposes of, the accounts of the holding company; and in particular to what extent provision has been made for losses, either in the accounts of the subsidiary or the holding company or both, and to what extent the losses of any subsidiary have been taken into account by the directors of the holding company in arriving at the profits and losses of that company. Moreover, if the auditors' reports on the balance-sheets of any of the subsidiary companies are qualified in any way, the statement annexed to the holding company's balance-sheet must give particulars of the manner in which such reports are qualified.

The law still fails to require a holding company to issue a consolidated balance-sheet, or to send out with its own balance-sheet copies of the subsidiary companies' balance-sheets. The provisions for publicity in connection with the balance-sheet and accounts are now as follows: All companies, public and private, must lay the balance-sheet, together with the documents required to be annexed and the profit and loss or income and expenditure account, before the company in general meeting. Public companies must file the balance-sheet, but not the profit and loss account, at the Joint Stock Companies' Registry with the annual summary. Public companies must circulate the balance-sheet (but not the profit and loss account) to all persons entitled to receive notices of general meetings. Public companies must without payment provide copies of the balance-sheet (but not the profit and loss account) to any shareholder or debenture-holder demanding the same. Shareholders in private companies are entitled to be furnished with a copy of the balance-sheet (but not the profit and loss account) on payment. Presumably in all cases the balance-sheet will be held to include all documents required by law to be annexed thereto.

It will be seen that, while the law now lays down various provisions with regard to balance-sheets, and contains stipulations to secure that copies of the balance-sheet shall, even in the case of private companies, be available to any shareholder, and in the case of public companies available to shareholders, debenture-holders and the public, it still leaves the position with regard to

the profit and loss account or income and expenditure account substantially unchanged; that is to say, that this document will, unless the articles of the company otherwise require, remain a private and confidential document, the only requirement with regard thereto being that it shall be "laid before the company in general meeting." It is not necessary to file the profit and loss account at the Joint Stock Companies' Registry, or to circulate it amongst the shareholders, and the shareholders and creditors have no power to require a copy to be furnished to them even on payment.

As mentioned above, presumably the disclosure required by Section 79 of the directors' remuneration will be made in the profit and loss account, as it could not very well form part of the balance-sheet. Unless, therefore, shareholders at a general meeting insist on having the profit and loss account read to the meeting, or the information with regard to directors' remuneration contained therein stated to the meeting, this information can remain in the future, as in the past, undisclosed. There are many who think that, notwithstanding the amendments already made, the law with regard to companies' accounts still leaves much to be desired, and that further disclosure might well be made without any real detriment to the business of the country.

CURRENCY STABILISATION IN ROUMANIA.

(FROM A CORRESPONDENT.)

WHEN towards the middle of July last the representatives of the foreign banks arrived in Bucharest to negotiate direct with the Roumanian Government, the expectations of the public for the definite settlement of the Roumanian currency question were raised to a high level. These expectations, however, have only partly been realised by the results which have so far been published. If what has been accomplished is certainly an appreciable step in the right direction, there are important points unfortunately left open, and the country is plunged once more into a period of waiting and uncertainty. The results of the negotiations are embodied in the laws passed by Parliament in its extraordinary session of July 25th. The Roumanian Government is authorised thereby to contract a foreign loan of \$250 millions, the first issue of which is to amount to \$80 millions, to be used exclusively for the operations of the stabilisation of the currency, for the creation of working capital for the railways, the Régie des Monopoles, the Treasury, &c., and for an initial fund for the execution of the programme of reconstruction and development of the railways. Of these \$80 millions the Government is empowered to obtain an advance on account of \$20 millions, which is to be placed at the disposal of the National Bank to reinforce its funds for exchange operations until the legal stabilisation is assured. The National Bank has received authority to obtain credits from the various issuing banks in the form of advances or discount facilities for the purpose of its stabilisation operations and of buying foreign exchange convertible to gold to an unlimited extent. To the latter end the provisions of its agreement of 1925 with the Government are abrogated. This appears to mean that the note issue may be increased beyond the figure fixed by the above-mentioned agreement. Furthermore, an agreement with Messrs J. Henry Schroder and Co. settles the terms for paying the principal and interest of the 4½ per cent. 1913 loan so as to allow the reinstatement of the quotation for the bonds on the London Stock Exchange. The war debt to France is fixed at 525 million gold francs, and a settlement is arrived at as to its payment by regular instalments stretching over a period of 55 years. A further agreement has been concluded with the representatives of the French, Belgian and Swiss holders of the other pre-war loans, arranging the interest service and redemption of these loans.

With these foreign claims brought to a settlement, the

way towards the foreign loan and the stabilisation was cleared to a considerable extent. A distinct advance has, therefore, been made. But it will be seen that in the matter of the loan and the currency problems many points are left dark as yet. The Government has declared that, in view of the holiday season, the issue of the first part of the loan—the \$80 millions—is adjourned until the autumn, and as the minutes of the negotiations with the foreign banks are kept secret, it is impossible to say on what conditions the loan has been secured. The authorities are entirely silent on this question. The rate at which the National Bank is to purchase foreign exchange and the details of the operations for the stabilisation are left to a special agreement to be concluded between the Bank and the Government. This is said to have been signed by the Prime Minister before his departure for France on his holidays, and the rate is fixed at 795-800 to the pound sterling, to be revised every three months. The necessity for the special authority given to the National Bank to obtain credits is not quite clear, as the Bank, as an autonomous institution, is considered to be its own master in this respect. It is, further, looked upon as doubtful whether it is legally sound to set aside, by the law now passed, provisions of the convention of 1925 between the Government and the National Bank affecting the note issue of the Bank. Moreover, in the light of the latest news, it is even questioned whether the foreign loan has been definitely secured at all, or whether it has only been agreed to in principle by the foreign financiers on certain conditions which are yet to be fulfilled. It is considered in many quarters as unlikely that a loan of the amount mentioned should have been granted while the question of the German claims against Roumania remains unsettled. The report that representatives of the Roumanian Government have left for Berlin at this time of the year to recommence negotiations there adds point to these doubts. In any case, it seems only natural that when the other important creditors of Roumania are dealt with, a settlement of the outstanding financial questions with Germany, in view of their importance, should be insisted upon as an indispensable condition to the definite arrangement of a foreign loan and of Roumania's currency problem. There is, besides, no sign so far that the \$20 million advance has been paid over. On the other hand, a loan of \$12 millions has been obtained by the Government from the Banca Commerciale Italiana to be paid to the National Bank in cover of its long-term advance to the Industrial Credit Bank. Interest thereon is said to be 7 per cent., and the loan is to be repaid by December 31st next, no doubt out of the proceeds of the foreign loan. Government papers say that this amount is in addition to the \$20 millions, which latter, it is declared, are not to serve as a basis for an increased note issue, but as a fund for the support of the rate during the period from now until the legal stabilisation. Whereas the latter amount is, therefore, to be obtained only to absorb foreign bills that come on offer and would to that extent increase the note issue, the sum secured from the Italian Bank should come indirectly to the relief of the market by releasing part of the tied-up assets of the National Bank. Such hopes as the market may have had in this connection have now, however, been dashed to the ground, for according to a communiqué issued by the National Bank after a meeting of the board, the sum of \$12 millions will be used to support the rate, whilst, curiously enough, nothing is said of the \$20 millions.

Thus, all the news given by the authorities is very vague, and the position remains uncertain. The general impression is that nothing definite will be done until the autumn. Whilst the laws embodying the conventions with Schroders, the French Government and the French, Belgian and Swiss bondholders may be greeted as an important progress towards the regularisation of Roumania's finances, it would appear that those concerning the loan and the stabilisation are passed by Parliament, at the request of the Government, as a palliative merely in order to reassure public opinion, which has been led to expect a settlement of the loan and currency problems ever since the early spring. Little doubt, however, appears to be entertained that the autumn must bring the definite solution, and that the legal stabilisation in the neighbourhood of the present sterling rate is going to be effected then.

THE BRITISH LEATHER TRADE.

(BY A CORRESPONDENT.)

ALTHOUGH the optimistic prophecies of a decided improvement in the leather trades, indulged in at the opening of the year, have not been altogether realised, it is safe to assume the past six months' business has been on the whole satisfactory. It is true that hide merchants and tanners have had to face a special set of difficulties, as supplies of raw materials have been scarce, and prices, after rising to a very high pitch early in the year, receded to some extent. Tanners had, with a good deal of difficulty, succeeded in bringing prices of leather into line with the high price of hides, and in spite of this the demand on home and export account was so good that stocks of rough and sole leather were kept down to the minimum. The moment that hides began to show a slight fall in values, merchants and shoe manufacturers began to press for reductions in the price of leather. Tanners, however, as a whole felt there was no necessity to sacrifice their holdings, and as they possessed little leather, the bulk of them held out firmly for their prices. Here and there merchants received offers of certain heavy classes of sole bends at slightly reduced prices, but as the outlook from the consumer was uncertain, few of them went in for much speculation, and decided it was the better policy to wait events. At time of writing, merchants are trying to cover their requirements at the best terms possible, and as the demand from the shoe manufacturing section is rather quiet, it shows that merchants at any rate are convinced as to the strength of the position.

Some idea of the fluctuations in the prices of British market hides may be gathered from the fact that in January, 1928, best ox hides were selling from 10½d to 11d per lb. In April they had fallen to 10d to 10½d, whilst in June the average price was approximately 9½d to 10½d. Many tanners also work in large quantities of imported Argentine wet salted hides, which are suitable for the heavier class of bends. In January last fregorific ox were quoted at 14½d, and B.A. dry Americanos were selling at 20½d. In April prices for fregorifics were 14½d, and for B.A. Americanos 19½d. In June fregorifics were down to 11½d, with B.A. Americanos changing hands at 16½d. All classes of imported dry hides have followed much the same course, so that tanners have had to purchase warily in order to avoid loss. However, tanners who worked in cheap dry hides must have done very well, as the demand for light bends from shoe manufacturers has, generally speaking, been in excess of the supply, and high prices have been obtainable. Repairers too have been good customers of the tanner, as the light soles of boots and shoes soon wore through and repairs were quickly needed. The demand for offal—shoulders and bellies—has also been uniformly good, many of the former being used for the soles of women's shoes, and the cheaper grades of men's boots and shoes.

International conditions have been on a par with those in Britain, the outcome being quite a large demand for British sole leather from overseas. The increase has been satisfactory, as during the first six months of 1928 British sole leather valued at £553,462 and £737,256 was sent to foreign customers. On the other hand it seems curious that imports of sole leather for the same periods were valued at £410,556 and £1,100,492, showing that some of the Continental tanners have been glad to liquidate stocks to obtain ready money.

Turning to the upper leather section, it is safe to say that British chrome tanners and curriers have had hard work to make a profit. Calf and goat skins have been steadily advancing in price, whilst the huge import of dressed leather showed no signs of being checked. Curriers of rough tanned East India kips have also had to face a very firm market for their rough material, and owing to the depression in the coal and industrial areas the demand for wax kip butts for heavy boots has been very quiet. Semi-chrome kip has sold in the cheaper grades at very low prices, but many curriers have managed to rub along by the receipt of orders for linings and coloured sides and offal from the United States and other countries. Curriers of upholstery hides have been

moderately well employed, as the demand from the motor car makers has been good; here, again, things have been difficult owing to the advance on split hides. Curriers of belting leather have been rather short of orders, whilst those engaged in dressing-case and attaché leathers have been handicapped by the high price of rough kips, and the growing competition of canvas and other substitutes.

As stated above, imports of dressed leather continued on a large scale; during the first six months of 1927 and 1928 these amounted to 81,869 cwts (value £3,422,811) and to 99,698 cwts (value £4,460,494) respectively. An increase of over a million pounds in value seems a significant fact in view of the rather depressed condition of the British light leather industry. Imports of box and willow calf for these two periods accounted for £813,636 and £1,406,560, and it is proved by latest statistics that Germany has again recovered her hold on this section of the trade, as German leather accounted for nearly half the total. Imports of glacé kid for the same periods were valued at £791,160 and £850,943, and imports of patent at £705,335 and £936,932. The outlook for the light leather trade in this country is none too bright, and during the past year or two several well-known firms of curriers have gone out of business.

One section which seems to hold its own is the dressing of tanned East Indian sheep skins and goatskins. This section has been on the whole fairly well employed, as there has been a consistent demand for shoe linings, cheap colours for women's shoes, hand bags, &c., whilst of late years a new development has taken place in dressing this class of light leather for clothing, mainly for coats for motor and sports use. The import of tanned Indian skins has been on a large scale, and there have been violent fluctuations in price during the past six months, which have rather upset the calculations of dressers.

The footwear industry has by no means come up to expectations this year. The causes are many, but the reduced spending power of the masses, and the weather may be blamed as the chief ones. The Easter and Whitsun demand was spoilt by the bad weather, and retailers failed to move off their large stocks of light shoes, so that manufacturers received few orders in consequence. At present most manufacturers are working reduced hours, whilst in the shoe centres there is a good deal of unemployment amongst operatives. Under the circumstances it is not surprising, therefore, that some amount of anxiety, and almost irritation, prevails at the gradual increase in the imports of Continental shoes, and many manufacturers are already talking of safeguarding, whilst the National Union of Shoe Operatives seem leaning toward total prohibition. Anyhow, the imports of foreign shoes for the first six months of 1927 were 173,144 doz. pairs (value £965,049), and advanced to 193,875 doz. pairs (value £1,165,398) for the first half of 1928. Switzerland and Czecho-Slovakian imports made up the bulk of the business, as they manage to produce in these countries certain classes of ladies' shoes at prices well below British makers, the average price being about 7s 6d per pair.

Exports of British footwear for the first six months of 1927 and 1928 were valued at £2,048,751 and £2,560,468, which is a very satisfactory increase in view of the increasing difficulty of tariffs in many overseas markets. Exports of British-made gloves for the same periods were valued at £67,149 and £70,862, and imports at £598,775 and £581,704, proving that safeguarding has by no means stopped the import of cheap foreign leather gloves. However, as British glovers are well employed, it is to be hoped they have at any rate captured a larger proportion of the home trade in the better classes of handwear.

AS GOOD AS NEW.

"The Noble Lord who rules the State,
The Noble Lord who cleans the plate,
The Noble Lord who scrubs the grate,
They all shall equal be."

So sang the King of Barataria almost forty years ago, and a delighted Savoy audience welcomed the quip at the youthful Fabian Society. Since then, with the efflores-

cence of a diversity of socialist creeds, some of which have proved their power of fructification, the simple egalitarianism of the Fabians has been relegated to the same historical shelf as the hansom cab and the first steam engine. The sales value of a socialist dogma, like that of a motor engine, depends partly on the up-to-date-ness of the model and partly on the revolutions it can accomplish, and as the socialism of the nineties would never have aspired to the forcible dethroning of Romanoffs and Hohenzollerns, it was the more readily supplanted by new social recipes.

But now a fashion cycle has been completed, and along with the reference in "Ruddigore" to the use of pocket combs in public places, the song quoted above from the "Gondoliers" has again become a topical allusion. For Mr Bernard Shaw, who has always driven that model himself, has now launched a campaign* by which he designs to capture an entirely new market for 1890 socialism. No changes whatever are made in the essential mechanism, but a novel and attractive presentation, together with the addition of all manner of ingenious devices for meeting minor contingencies, would enable an experienced salesman rightly to guess that the objects of this campaign were women, since women have the reputation of preferring gadgets to soundness of mechanical design. In point of fact, the ingenuousness of the title is open to doubt, since no woman with the abysmal ignorance of economics assumed in the treatment of the subject would ever begin her education by reading a book of nearly five hundred pages, though if she did embark she would be carried along by the current of Shavian eloquence.

The programme of socialism offered is of the simplest. Stated briefly, it is piecemeal nationalisation of the production of practically all goods and services, preceded by careful preparation for the public conduct of each industry so taken over, and accompanied by compensation of all vested interests. Incomes are thus gradually to be equalised, and the balance of attractiveness between different occupations to be adjusted by variations in the amount of leisure allowed. On this question of leisure much is said that has long needed to be said, and much with which most people will be disposed to disagree. Many of the minor pitfalls which provide such good copy for the critics of socialism have been avoided, but Mr Shaw's contribution to his subject lies not here, but in his manner of preparing the ground for its reception. He is primarily concerned with bringing home to the reader the evils of inequality of income, and this he does, not by any appeal to the heart, but by hard-headed variations on the theme: "Rich and poor are alike detestable; both must cease to exist." Many of the stock objections to socialism, which have hitherto claimed a basis in unalterable facts of human psychology, appear in this analysis to be due to artificial class distinctions, and are in Mr Shaw's eyes traceable to the cumulative effect of generations of inequality of wealth. Here even those who do not go the whole way with Mr Shaw must concede that he is on strong ground, and the psychologist would probably be the last to commit himself to a categorical denial of these conclusions.

So, like a clever chef, Mr Shaw has served up the old ingredients with a sauce calculated to tempt the jaded palate. More than that, he has done a good turn, not only to his own brand of socialism, but to all others, by exorcising the devil which popular superstition believed to lurk in such words as "communism," "socialism," "collectivism." This he has achieved by bringing home vividly the fact that all these "isms" are to an ever-increasing degree already practised, as a matter of course, in every community, however conservative. This, no doubt, has been said before, but there are ways of saying a thing for the hundredth time which make it more valuable than when it was first uttered.

To criticise the economics of this book would savour too much of the flogging of dead horses. An apparent conviction that all goods are highly perishable leads to the complete discountenancing of all forms of collective

* "The Intelligent Woman's Guide to Socialism and Capitalism." By Bernard Shaw. Constable and Co. 15s.

saving. Yet we are told that industry is to be financed by nationalised banks, and the implication is that capital is to be raised by taxation. What is this if not collective saving? This inconsistency is comparatively harmless in the outcome; what really matters is that Mr Shaw, while making the redistribution of the national income seem a much easier, more conservative, and more desirable matter than it ever seemed before, has failed to prove the soundness of his affirmative answer to the time-worn question, would there, under the proposed régime, be any income to distribute? He takes for granted that there would, on the usual socialist ground that under the new system almost everybody would become a glutton for work, and the few who did not would be effectively coerced. But we are always reminded, when it is a question of their share in distribution, that the idle rich are numerically only a minute fraction of the population. How then is the addition of their output to make so much difference to the national dividend? The increased zeal of the workers will, we take it, be largely balanced by their increased leisure. More serious still is the argument from the particular to the general by which it is assumed that because a few services have been effectively nationalised, the whole of our economic life can be conducted on a similar basis. But to argue these ancient issues is to miss the essence of Mr Shaw's work. The points he scores are largely debating points only, but he scores them in such a way as to induce the naïve and the blasé alike to reflect on the injustices of our social system with minds a little less prejudiced than usual, and finally to observe, in the spirit of Agrippa: "Almost thou persuadest me to be a socialist."

Notes of the Week.

Royal Commission on the Police.—When the sensations of the Savidge case were brought before the public eye the House of Commons demanded two separate inquiries. The first was an inquiry into the specific facts regarding Miss Savidge's interrogation at Scotland Yard. This has been held. The second was a more general inquiry into police methods and administration. The Report of the Tribunal which investigated the Savidge case was of a nature to make the second inquiry even more essential than had been previously realised. This second and broader inquiry is to take the form of a Royal Commission, and the names of the members have been announced by the Home Secretary this week. They are such as to command public confidence. Any possible suspicion of political or partisan influence has been obviated by the deliberate omission of any member of the House of Commons, while the Commission, if without any brilliant star, is well provided with experience in public and local administrative problems. The terms of reference are broad enough to allow a review of our police system from top to bottom, and full investigation of all the points on which public uneasiness exists. The Commission has a lot of ground to cover and any amount of hard work before it. But it is most desirable that Viscount Lee of Fareham, who is to preside, and his colleagues should proceed with all possible expedition; for the public believe that there are things which urgently require to be set right, and no time should be lost in setting them right and in re-establishing the police system in the full confidence of the nation.

The Air Force Manœuvres.—This week's manœuvres of the British Air Force have taken the spectacular form of a concentrated series of bombing attacks on London. The lessons of the attacks and of the defence will doubtless keep the experts busy for a long time, but one or two are already clear even to the layman. The first is that no defence, however efficient—and a large degree of efficiency has been proved to exist—could save London or other big cities from a great deal of suffering and damage at the hands of a skilled and persistent air invader. The second lesson is a broader one. The bombing of London, while it has given the Air Force a big advertisement calculated to help recruiting, forces

upon the public notice the existence of a great and costly arm of military defence. International rivalries in armies and navies are an old problem with which the civilised world is still hard put to it to grapple. The problem has been extended to a third sphere, and this consideration, forced upon the public recognition this week more emphatically than at any time since the great war, should redouble the intensity with which our Government and people work for the establishment of peace and security. Given a growing international co-operation and harmony, no nation would think of entering upon a campaign of competitive air-craft building. But if conditions tending to create friction, insecurity and tension are not progressively removed, costly rivalry in the forces of the air will inevitably be undertaken, and might go far to annul current efforts at the mutual restriction of armaments by land and sea.

A Frontier Controversy in Arabia.—It is announced that the Hijaz-Iraq conference at Jiddah has broken down, notwithstanding the fact that the two Arab parties to the conference were being assisted by the good offices of a British representative, Sir Gilbert Clayton. The breakdown of this conference is unpleasant for Great Britain, since we bear some responsibility for the territorial integrity and the independence of Iraq, in virtue of our treaty with that State—a treaty which has been accepted by the Council of the League of Nations as our way of discharging our mandatory obligations. Moreover, we are in treaty relations with the other party to the controversy, King Abdu'l-Aziz ibn Saud of Hijaz and Najd, who has been our good friend every since he extended his borders to the coast of the Persian Gulf on the eve of the Great War, and has remained our friend after conquering the Hijaz and establishing his authority across Arabia from sea to sea. If Sir Gilbert Clayton found himself unable to bring the two parties together on this occasion, we may take it that the enterprise was impossible, for Sir Gilbert has a unique record of experience and achievement in the international politics of Arabia since the Great War. It was he who succeeded, on the eve of the completion of Ibn Saud's conquest of the Hijaz, in negotiating with that ruler two agreements which promised to settle definitively his frontiers with the two adjoining Arab states of Iraq and Transjordan, for both of which Great Britain bears responsibility in some measure. The present trouble has arisen from the persistent recurrence of transfrontier raids. The most serious of these have been committed against Iraq by tribesmen paying allegiance to Ibn Saud, and early in the present year these incursions evoked reprisals against points in Ibn Saud's territory which the raiders were believed to be using as their bases of operations. These reprisals—in which units of the British Air Force stationed in Iraq took part—appear to have been condoned by Ibn Saud, and it was indeed evident that the raiders had been acting in defiance of his authority. On the other side, there have been raids, in defiance of the Iraq Government's authority, by Shammar tribesmen who have been refugees in Iraq since Ibn Saud conquered their home in Northern Arabia in 1921. The recent conference at Jiddah was convened in the hope of putting an end to these dangerous incidents by agreeing upon a common line of action. The difficulties in the way of agreement were considerable. There is a traditional hostility between the people of Iraq and the Wahhabi followers of Ibn Saud which goes back to the sack of holy cities in Iraq by the Wahhabis more than a century ago. There is also a family rivalry between the Saud Dynasty and the Hashimi Dynasty, to which belong not only King Faysel of Iraq and Prince Abdu'l-lah of Transjordan, but their brother, the ex-King Ali, and their father, the ex-King Husayn, of the Hijaz, who lost their throne when Abdu'l-Aziz Ibn Saud conquered their country in 1925. However, the breakdown of the conference has been directly brought about, not by these traditional and personal feuds, but by a demand on Ibn Saud's part that the Iraq Government should demolish certain police posts which it has constructed out in the desert in the direction of Ibn Saud's country, though well within the agreed frontier. The Iraqis maintain that they have not only an incontestable right to con-

struct these posts under the treaty, but that the posts are essential if they are to prevent the refugee Shammar from raiding Ibn Saud's country and Ibn Saud's unruly followers from raiding Iraq. On the face of it, the Iraqis are in the right and Ibn Saud is in the wrong. In fact, his demand, if correctly reported, is tantamount to a claim that, treaty or no treaty, frontier or no frontier, his domain extends up to the dividing line between the desert and the sown. This claim is inadmissible; and neither the Iraqi delegation nor Sir Gilbert Clayton can be blamed for the breakdown of the negotiations on this point.

Mr. Hoover's Policy.—Mr. Herbert Hoover, the Republican nominee for the Presidency in the United States, made his formal acceptance speech last Friday, in which he reviewed the prosperity of the country during the past seven and a-half years' during the administration by his party. He declared that the most urgent economic problem before the nation was the encouragement of agriculture, and he proposed that higher tariffs should be imposed on the import of agricultural products; that cheaper inland transportation—the improvement of waterways in the main—should be made available, and farm credit at better rates be arranged through the creation of a Loan Board with resources of £40,000,000. He favoured the strict enforcement of the prohibition laws, the continued restriction of immigration according to the present scheme with certain amendments, and, lastly, he touched on the religious issue, calling for more tolerance on this score, thus plainly shelving the religious issue in this campaign as far as he is concerned. Next week Mr "Al." Smith is due to speak, and then the opportunity will arise to compare the rival platforms on which an Homeric presidential contest will be fought out.

Settlement of the Nanking Incident.—In a recent issue we drew attention to a statement by Sir Austen Chamberlain that a settlement of the Nanking incident of March, 1927, must precede any negotiations for a general revision of treaties between China and Great Britain; and we recalled the fact that such a settlement had been very nearly achieved by the British Minister in China in the spring of the present year. Considering that the Americans did achieve a settlement of the Nanking incident at that time, and that this Sino-American settlement opened the way for the recent exchange of notes between the American Government and the Kuomintang Government, in which the American Government recognised China's tariff autonomy, it is satisfactory to be able to record that an Anglo-Chinese settlement of the Nanking incident has now been achieved in an exchange of notes which took place on August 9th. In the statement referred to above Sir Austen Chamberlain announced that the British Government would be content with a settlement on the lines already accepted by the United States, and the texts of the Chinese and British notes exchanged on the 9th instant show that these lines have in fact been followed. The Kuomintang Foreign Minister, Dr Wang, expresses profound regret for the outrages committed at Nanking in March, 1927, upon British subjects; declares that the Kuomintang Government accepts responsibility for these outrages, notwithstanding the fact that investigation has shown the outrages to have been instigated by Communists at a date when the (Moderate) Kuomintang Government, now seated in Nanking itself, was not yet established; reports that the troops who participated in the outrages have since been disbanded, and that steps have been taken to punish the individuals implicated; announces the Kuomintang Government's readiness to make compensation in full for all personal injuries and material damage; and proposes that the extent of the injuries and damage actually suffered shall be verified by a Sino-British joint commission. These proposals are accepted, on the British Government's behalf, by the British Consul-General at Shanghai, Sir Sidney Barton. In a second note Sir Sidney Barton records the British Government's opinion that the protective barrage put round Socony Hill at Nanking by H.M.S. Emerald on

March 24, 1927, was absolutely necessary for the protection of British lives and property, "however deeply they may deplore the fact" that the circumstances were such as to render it necessary. Finally, in a third note—which is much the most important of the three as regards the future relations between the two countries—Sir Sidney declares that the British Government "recognise the essential justice of the Chinese claim to treaty revision"; refers in this connection to the British declaration of December, 1926, and the British proposals of January, 1927; and announces that "His Majesty's Government in Great Britain are prepared in due course to enter into negotiation with the Nationalist Government, through their duly authorised representative, on the subject of treaty-revision." This is all highly satisfactory. Short of some unforeseen *contretemps*, it really looks as though the way were now clear for a general readjustment of Anglo-Chinese relations, which might bring the two nations into a better understanding with one another than has existed between them for many years past.

British Agricultural Prospects.—The duty of collecting and publishing agricultural statistics of the British Isles is now shared by four independent Departments. Each, of course, does the work in its own way and at its own time, and as it is the business of nobody to collate or co-ordinate the figures (unless the Press undertakes the task), it is impossible without difficulty to get totals for the old United Kingdom comparable with those which were readily accessible when there were only two Departments (the British and the Irish) working in unofficial, but nevertheless effective, co-operation. There has just been issued by the English and the Northern Irish Departments respectively a provisional statement of the acreage of crops and number of live-stock in the territories under their statistical jurisdiction. The returns for England and Wales collected last June reveal no very startling facts. The shrinkage of the area devoted to agricultural use steadily continues, and, with it, the reduction of land under the plough. The somewhat curious increase, for two successive years, of the acreage under wheat has been lost, and the area under this crop has been reduced by 14.6 per cent., and now stands at a lower total than in any year with the exception of 1895 and 1904. The acreage of barley, which was last year smaller than in any previous year, recovered by 138,000 acres, while that of oats, which are much the most widely grown corn crop, remains stationary. The most remarkable fact disclosed in these returns is the reduction by 47,000 acres, or 21 per cent., of the acreage under sugar beet. Undoubtedly, the season was specially unfavourable, but this serious setback while the subsidy has still some years to run is a little ominous of what may happen when it ceases. Unfavourable seasons will recur. The returns of live-stock are disappointing. For the first time for some years there is a check in the increase of the milking herd-cows and heifers in milk and in calf. The decrease is not very serious, but it is something of a portent. The demand for milk expands yearly, consequent on the growth of population and on wider appreciation of its dietetic value. Notoriously, consumption is at present checked by price. The home producer has a monopoly, and apparently by reducing the number of cows he is now restricting the supply. Supplies to the public are controlled by combinations of producers and distributors. Sheep, which have been steadily recovering from their extreme depletion after war, have this year received a check, and a reduction of 4 per cent. is recorded. The ewe flock, however, is reduced by less than 2 per cent. Pigs have increased by 10 per cent., but the maintenance of these numbers is prejudiced in some measure by a reduction by 3 per cent. of breeding sows. In Northern Ireland an extension by 41 per cent. of the flax acreage is the most satisfactory feature of the crop returns, but an increase of practically all classes of live-stock, except pigs, but including poultry, is also encouraging. Meanwhile, the present season has so far been propitious for all field crops. The hay crop has been well secured in good condition. The yield on some of the earlier meadows was light, but generally the quantity was satisfactory and the quality exceptionally good. The drought and heat have suited the wheat crop, which will probably turn out to be the best of the year,

but both barley and oats promise over-average crops. Roots are variable, and the general results are dependent very much on the weather of the next six weeks. Potatoes are apparently healthy and the prospects good. The reduction of the area of potatoes by 25,000 acres renders a good crop the more important.

Seven Months' Trade.—The July trade returns continue the improvement in exports registered during the preceding six months. In July alone exports, compared with 1927, rose by £4,763,966, and while imports also rose by £2,086,128, this increase is accounted for entirely by additional imports of raw cotton, which, in view of the position revealed below, is a most encouraging sign. The totals for July and for the first seven months of the year are shown below:—

MONTH of JULY.

	1928.	Inc. or Dec. Compared with July, 1927.	Inc. or Dec. Compared with July, 1926.
Imports	£ 95,468,408	+ £ 2,086,128	+ £ 4,813,988
British exports	60,885,097	+ 4,763,966	+ 3,621,291
Re-exports	8,453,372	+ 1,229,412	+ 996,584
Total exports	69,338,469	+ 5,993,378	+ 4,617,875
Excess of imports over total exports	26,129,939	- 1,448,426	- 7,438,691

SEVEN MONTHS ENDING JULY 31st.

	1928.	Inc. or Dec. Compared with Jan.-July, 1927.	Inc. or Dec. Compared with Jan.-July, 1926.
Imports	£ 700,632,690	+ 9,979,527	+ 2,226,014
British exports	416,117,038	+ 17,654,796	+ 20,638,985
Re-exports	75,939,555	+ 36,400	+ 109,384
Total exports	492,056,593	+ 17,691,196	+ 20,748,369
Excess of imports over total exports	208,575,997	- 27,670,723	- 22,755,605

The chief feature of the seven months' returns is the 4.3 per cent. increase in exports. This, though good as far as it goes, is more a confirmation of a past improvement in trade than a sign of current or future activity. For this purpose greater significance attaches to imports of raw materials. Here there has been what is *prima facie* an ominous decrease from £216.7 to £205.0 millions, or a difference of £11.7 millions, equivalent to 5.4 per cent. This needs considerable care in its interpretation. Firstly, the 1927 returns included £6.6 millions for coal, which can legitimately be deducted from the returns for that year. Next the fall in the price of rubber was the cause of a shrinkage in value amounting to £4.8 millions. These two corrections reduce the deficit to negligible proportions. On the other hand, cotton prices were 42 per cent. higher in the first seven months of 1928 than in the corresponding period of 1927. To allow for this, a contrary correction of £12.8 millions must be made, and this more than counter-balances the two corrections previously made. On balance, therefore, there has been a definite shrinkage in the volume of our raw material imports, as well as in their value. Details as to exports are shown in the following table:—

SOME LEADING EXPORTS.
(Quantity.)

	First Seven Months.		
	1926.	1927.	1928.
Coal	18,971,470	30,495,210	28,740,499
Railway material	267,234	352,105	396,226
Total of iron and steel ..	2,144,675	2,336,778	2,460,832
Textile machinery	59,641	66,385	73,555
Total machinery	284,958	280,414	340,540
Cotton yarns	100,269,100	120,745,400	98,454,800
Cotton piece goods	2,399,668,400	2,410,855,300	2,271,180,800
Wool tops	192,177	247,248	215,228
Woolen tissues	70,280,800	71,079,800	79,433,400
Worsted tissues	26,874,100	23,506,700	21,455,800
Linen piece goods	46,759,900	44,280,200	42,356,000
Jute piece goods	82,884,100	87,894,000	108,195,200
Boots and shoes	545,228	505,825	638,590
Leather	182,968	209,118	256,253
Locomotives	25,049	12,214	26,677
Motor cars & chassis	18,031	23,572	18,026

Coal compares badly with last year, but iron and steel exports are better. Textiles are of a variable character, cotton showing up badly.

Iron and Steel Production in July.—The figures of iron and steel production for July, just issued by the National Federation of Iron and Steel Manufacturers, reflect the stagnant condition of the industry, which is more or less usual at this time of the year. The production of pig-iron continued to decline, and amounted to 537,800 tons, compared with 563,700 tons in June and 645,800 tons in July last year. The number of furnaces in blast declined by 10, one furnace having resumed and eleven having ceased operation during the month; the number of active furnaces is now lower (except for the coal stoppage period) than in any month since September, 1925, and will involve a still further decline of production in August. The decline in steel production to 666,900 tons from 709,000 tons in June was due entirely to the reduced production in Scotland, where holidays are taken in July. In some districts an increase was recorded as the result of pressure to complete orders before the August holidays. Imports of iron and steel in July amounted to 219,000 tons, or 9,000 tons higher than in the previous month; imports of pig-iron, however, declined from 6,000 tons to the negligible figure of 3,500 tons. Exports of iron and steel declined from 365,900 tons in June to 333,100 tons, of which 31,000 tons were pig-iron. The following table gives the production of the chief producing countries in the first half of 1928, compared with the same period last year:—

	(In Thousands of Tons.)			
	Pig-iron.		Steel Ingots and Castings.	
	First Six Months.		First Six Months.	
	1927.	1928.	1927.	1928.
United Kingdom	3,728.9	3,422.2	4,989.1	4,289.7
U.S.A.	19,430.9	19,229.2	23,618.5	24,792.9
Germany	6,263.3	6,481.3	7,817.0	7,791.9
France	4,564.6	4,922.7	4,006.1	4,548.9
Belgium	1,825.3	1,876.4	1,822.7	1,882.1
Luxemburg	1,330.0	1,359.7	1,183.1	1,250.7
Total	37,143.0	37,291.5	43,436.5	44,556.2
United Kingdom	10%	9.2%	11.5%	9.6%

It will be seen that in the case of pig-iron the United Kingdom produced 10 per cent. of the total production in the first half of 1927, but only 9.2 per cent. in the first half of 1928. In the case of steel the decline was from 11.5 per cent. to 9.6 per cent.

Cotton Prices and Supplies.—It is not unusual, writes our Manchester correspondent, for wide fluctuations to take place in the price of raw cotton at this period of the year. Much uncertainty always prevails as to future supplies, and traders are generally uncertain as to the trend of values. The first official estimate of the American crop published by the Government in the middle of last week at 14,291,000 bales was much smaller than market expectations, as private firms had published forecasts of between 14,750,000 bales and 15,000,000 bales. The Government statistics were, of course, bullish; but after an advance in prices of about $\frac{1}{4}$ d per lb there was a slump, and since then values have been lower than for a long time back. The opinion is held that the Government officials at Washington in their estimate made a too-generous allowance for possible deterioration of the crop during the next month or two. There is a danger of the plants being damaged by the boll weevil, and infestation is reported to be heavy, but so far the growth has not suffered any definite injury. Speaking generally, there is an expectation of an output of fully 15,000,000 bales, with a possibility of a still larger yield, given favourable climatic conditions in the belt. Amongst many traders in Lancashire there is still an anticipation of lower values, but it may not be fully realised that a substantial decline has already taken place. On July 6th the quotation for middling American on the spot in Liverpool was 12.53d, but the figure on July 23rd was 11.50d. Early in August there was a further decline to 10.66d on the 7th. After a reaction to 11.00d on the 9th there was a further decline to 10.21d on the 13th, the price on Wednesday last being 10.51d. Values this time last year were on practically the same level. A recent bearish influence has been the

declining consumption throughout the world, especially in the United States. The official returns of the International Federation will not be available for a week or two, but it is expected that the amount used by spinners during the second half of last season will be much smaller than in the first six months of the year. The statistical position in round figures can be given by estimating the yield for the season 1928-29 at 15,000,000 bales, with a carry-over from last season of 5,000,000 bales, which makes the available supplies 20,000,000 bales. As things stand at present it does not look as though world consumption during the twelve months will be more than 14,500,000 bales, so that ample supplies are assured.

Railway Economies.—A correspondent writes:—The question of railway economies immediately suggests traffic savings, such as reductions in train mileage, locomotive coal consumption, fewer stores orders, and lessened commitments of a capital nature. The savings to be obtained in what may be called the manufacturing departments do not usually receive a corresponding amount of attention. Although economies in this direction take longer to mature, the spade-work of the past few years will shortly begin to make itself evident. Following the amalgamations, a general overhaul of manufacturing facilities and needs had to be carried out, necessitating in many instances the expenditure of much time and money before the thought of reduced expenses could be entertained. In some instances the railways were prevented from realising most desirable savings by public considerations, the displacement of labour, and the dependence of a whole town upon their manufacturing activities. A case in point concerns locomotive works in London and Inverness, both of which belong to the same company. To close the old North London line's works at Bow would scarcely cause a ripple in the surface of London's unemployment problem, but a similar process at the late Highland Company's works at Inverness would have been a disaster for that place, the effect of which would have been felt throughout the Highlands. The mere rumour of changes at Inverness was sufficient to bring an influential Scottish deputation to London to point out the difficulties which would follow any stoppage of railway work in the town. After making allowance for such circumstances, it is apparent that a considerable saving will accrue from the comprehensive system of locomotive standardisation now being undertaken. The railway which absorbed most of the small Welsh lines took over about 100 different types of engines, which in course of time will be reduced to two types only. On some of the other lines the standardisation policy has necessitated a drastic scrapping of locomotives on a scale usually associated with American methods. Whilst many machines taken over from the small lines were obsolete or almost worn out, a number of otherwise excellent power units have gone to the scrap heap largely because they could not be fitted in with the standardisation policy. All this, of course, has caused initial expense, yet its wisdom in the long run cannot be doubted. Alongside this standardising policy has come a reorganisation of the chief works. At one place a system of engine overhaul analogous to the Ford principle of chassis assembly has been successfully adopted. At another the mass production of carriages and wagons introduced just prior to the amalgamation has been perfected and extended until the period required for the construction of carriages has been reduced very considerably. The adoption of a few common types of wagons throughout the country is in itself a measure which sooner or later is sure to reduce production and maintenance costs, although the foundations of this change were really laid during the war. Permanent way materials, particularly rails, have been standardised in recent years, and the effect of this will be felt at intervals as renewals become necessary. One of the most promising avenues to economy in the Way and Works Department lies in a track-laying device which has been in use on the Great Southern Railways of Ireland for several years, and is now being tried out in this country. If, as is claimed, this machine reduces permanent way labour by 40 per cent., a substantial saving in wages costs is assured. There is little doubt that a great deal of far-sighted but comparatively unobtrusive

effort is being directed towards lowering costs in the railways manufacturing departments, the effect of which is not immediately measurable, although it will become an influencing factor in the near future.

France and the Petroleum Problem.—Our Paris correspondent writes:—French interest in the pending international loan to Roumania centres to a great extent on the need of our cross-Channel neighbours to secure an adequate supply of petroleum to meet their military and industrial requirements. The French during the last three years have imported between 1,340,000 and 1,455,000 tons of crude and refined petrol per annum, and from 635,000 to 779,000 tons of heavy oils and petroleum by-products, at an annual cost ranging from 2,000,000,000f to 3,000,000,000f. Two-thirds of the French needs have hitherto been satisfied by the United States, and the balance by the British and Dutch companies operating in Asiatic regions. French need to secure petrol from sources where prices are still expressed in depreciated currency affords one very natural explanation of our neighbour's interest in recent months in Russia, Polish and Roumanian oil supplies. The passage of the Soviet supplies under Standard Oil and Anglo-Dutch control compels the French to look more than ever to Roumania to help fill her tanks. In the near future France will be receiving from the Near East her 23.75 per cent. share in the yield from the Mesopotamia oil fields, but this will only partly release her from dependence on American and Anglo-Dutch oil. She has invested already over 1,000,000,000f for the benefit of her Roumanian ally, and this amount may certainly be expected largely to increase in the near future. The reports from London to the effect that Haifa, in Palestine, which is under a British mandate, has been decided upon as the pipe-line port for the Mosul oilfield have caused a certain amount of dissatisfaction in Paris, where it is argued that a much more suitable port for tank steamers would be Alexandretta or Beyrouth, which are under the control of the French, as the holders of the Syrian mandate.

Brazilian Coffee Position.—Late advices from Brazil, writes a correspondent, indicate that the crops in many parts of Sao Paulo, the principal producing district, are being visited by the dreaded pest, *C. stephanoderes*, which, coupled with an absence of rain, threatens a considerable proportion of the trees. When it is remembered that cultivation of the bean represents the chief source of the country's income from exports, say, about 75 per cent., the threatened trouble assumes some significance. This is frankly recognised by the Agricultural League, which, in a recent report, admits that nearly 20 per cent. of the trees have already been affected, and that there is danger of the disease spreading to other—and even to far-distant—districts. Some estates seem to have been more unfortunate than others; for (again quoting the League's report) as much as 95 per cent. of certain plantations have been attacked. An infected plantation may, however, be cleansed, and the disease, if dealt with in its early stages, destroyed. The surest means is to spray or powder the plants with a mixture of lime and sulphur, as is done in Ceylon in the case of the local pest known as *Hemileia vastatrix*, or coffee-leaf disease. Unfortunately, it seems that, fortified by the present prosperity of the coffee industry, Brazilian estate-proprietors are inclined to let things slide, hoping that they will arrange themselves, and unheeded of the wise local saying: *Cada um colhe, segundo semeia* ("As a man sows, so shall he reap"). If one may credit some of its prominent critics, the Coffee Institute, or, to give it its full title, "The Institute of Permanent Defence of Coffee of Sao Paulo," now nearly four years in existence (whose objectives include the withdrawal of coffee from the local market by purchase and storing it in warehouses specially set aside for that purpose) has not concerned itself as wholeheartedly as it might have done with the pest question. It has now under supervision no fewer than 1,000,000,000 trees, against 850,000,000 in 1925, distributed over nearly 1,300,000,000 hectares (1 hectare = 2.47 acres). Unless measures are taken to combat the present visitations it seems hardly likely that the

Brazilian harvest in 1929-30 will reach 18,000,000 bags (or 50 per cent. above this season's production), as forecasted; but as this year's production is estimated to fill 12,000,000 bags, against a world consumption of 24,000,000, and although the shadow of the pest calamity may loom against future production, the present statistical position of Brazilian coffee is favourable enough.

Transvaal Output in July.—The output of gold from the mines of the Transvaal during July amounted to 867,211 ozs, as compared with 862,363 ozs in June and 851,861 ozs in July, 1927. The following table shows the monthly output since the beginning of 1922:—

	1922.	1923.	1924.	1925.	1926.	1927.	1928.
	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.
January..	639,728	764,469	796,768	823,632	796,270	839,782	843,557
February..	704,870	760,617	753,925	753,924	779,539	816,113	816,113
March ..	761,282	795,671	825,479	834,340	867,511	877,380	877,380
April	511,338	743,651	768,923	787,519	803,303	824,014	825,907
May	629,786	786,564	809,003	813,249	849,214	869,479	886,186
June ..	675,697	755,309	773,063	780,251	852,145	855,154	862,363
July ..	730,635	754,306	829,437	818,203	860,134	851,861	867,211
Total 7 months.	3,187,184	5,269,855	5,533,472	5,602,317	5,749,330	5,870,140	5,979,217
August ..	752,490	799,371	809,571	808,218	843,854	863,345	..
September..	747,089	739,505	799,482	797,247	839,939	842,118	..
October ..	778,159	733,542	827,581	812,332	853,226	855,743	..
November ..	764,476	780,839	807,333	797,633	840,276	846,059	..
December ..	790,712	778,849	825,273	791,455	836,157	851,225	..
Total	7,020,110	9,133,060	9,597,634	9,599,702	9,962,852	10,130,630	5,212,006

The number of natives employed by members of the Witwatersrand Native Labour Association and Contractors over the past few months was as follows:—

	Dec., 1927.	Jan., 1928.	Feb., 1928.	Mar., 1928.	Apr., 1928.	May, 1928.	June, 1928.	July, 1928.
Gold mines	128,516	191,063	197,340	199,489	199,820	198,461	197,186	194,584
Coal mines	16,590	16,720	16,696	16,943	16,870	16,695	16,533	16,724
Diamond mines	4,668	5,167	5,664	5,742	5,650	5,189	4,839	4,555
Total	209,774	212,950	219,700	222,174	222,340	220,345	218,558	215,863

The total number of natives employed again shows a decline as compared with the previous month.

Oversea Correspondence.

UNITED STATES.—MARKET ACTIVITY—OUT-LOOK FOR TRADE AND CREDIT—FEDERAL RESERVE POLICY—BANKING DEVELOPMENTS—CREDIT FOR SPAIN.

(FROM OUR CORRESPONDENT.)

NEW YORK, August 8.

IN lieu of the usual August dullness in security markets, the Stock Exchange has shown more activity in the past week than for some time. Not only has the volume of transactions increased, but the trading has spread over a wider area. The extent to which the activity is an attempt by professionals to coax the public into greater participation is a matter of speculation, but the ability of stocks to move forward in the face of stiffer money rates undoubtedly has won over many who have held off heretofore in expectation of an extension of the June break. At the moment the share market appears to be tiring, and is somewhat nervous over the current discussion of a change in Federal Reserve Bank discount rate. Moreover, now that the first of the month demands for money have been satisfied and easier money has been expected, the continued firmness has caused some disappointment.

It is not unusual for the share market to hesitate at this time of year, even when money is easy. The question of just how good autumn trade will be is often difficult to answer at this time. The picture now before the financial community, however, seems to be clear enough so far as autumn business is concerned, but it is somewhat cloudy as regards credit. Notwithstanding the fact that industrial shares have now recovered the greater portion of their early summer losses which followed discount rate rises, the credit situation is still the dominating factor, and few expect a return of easy money during the remainder of the year.

The Federal Reserve Agent, in his monthly review,

hints that the member banks over the country are over-loaned. Loans and investments of 636 reporting member banks in leading cities as of August 1st were \$1,800,000,000 higher than a year ago. Of this increase about two-thirds is to be found in loans and the remainder in investments. Of the loan increase considerably more than half is accounted for by loans on stocks and bonds. In the same period the credit base of the country has narrowed with the outflow of more than \$500,000,000 in gold, and further pinching in of credit-making ability for the member banks has occurred through reduction in the past year of \$200 millions in Federal Reserve Bank holdings of Government securities and bills. To maintain their loans and investments the member banks consequently have had to increase their borrowing at the Reserve by \$640 millions as compared with a year ago.

Doubtless the Reserve authorities hoped that the recent increase in discount rate to 5 per cent. would bring either a reduction in brokers' loans and member bank discounts, or at least would check the rise. It has done neither. Brokers' loans are still rising, and in the past week discounts increased over \$60 millions. Meanwhile commercial borrowing is increasing, the crops are moving and preparations for autumn trade are under way. It is difficult under the circumstances to see how the Federal Reserve can avoid making still further extension of its credit unless we are to have heavy gold imports or a sharp and immediate reduction in brokers' loans, or unless seasonal requirements for funds fall much below expectations. Really tight money would, of course, depress business as well as the share market.

Naturally, the Reserve authorities do not like to see further increase in bank borrowing at this time of the year when accompanied by rising brokers' loans. But a third attempt to curb it by a further increase in discount rate would involve most certainly a reversal of the gold movement and an outcry from trade. At all events, it would be somewhat surprising to see any immediate change, since four of the Reserve Banks are still on a $4\frac{1}{2}$ per cent. basis, and since no recent increase has occurred in the bill rate, which remains at $4\frac{1}{2}$ per cent., as against a 5 per cent. discount rate.

While the market for old bonds has been extremely stagnant, some relief to the credit situation is coming through the gradual disposal of unsold bonds loaded on dealers' shelves. Some large blocks of such bonds have been disposed of in the past week to insurance companies and other large buyers at substantial concessions. Dealers are having to take losses, but they are able to pay off their bank loans, and the congested condition of the new issue market is being relieved. Recent offerings have been small, but some activity is hoped for after another month or so. A year ago the glut in the new bond market was perhaps as bad as it is now, but then dealers were able to borrow money at lower rates than the yields on their bonds, whereas now it is highly unprofitable to carry bonds yielding less than 5 per cent. with demand money at 7 per cent. and time money at 6 per cent. Banks also have encouraged disposal of these unsold bonds, and have been reluctant to renew loans on them.

An interesting development of the week in banking circles was the action of the New York Clearing House Association in raising the charge which its members will make for placing loans in the call market for the account of corporations. New York banks for their own account are lending less than normal amount in the call market, but the deficiency has been made good by corporations. For a number of years the large corporations have grown more and more independent of the banks. They have followed the policy of building up their cash resources, and have encroached somewhat on the field which the banks heretofore have regarded as their own. During the past year corporations have found it very profitable to dispose of low-yield investments and place their funds in the call money market of the Stock Exchange. From the money market standpoint, the objection to this practice is the sudden withdrawal on dividend-paying dates, or for any reason, of large sums from the money market by the corporations. With about a third of the money lent to brokers supplied by corporations any large withdrawals are quickly felt, and disconcerting furies in money rates are likely before the banks can fill up the breach. Some-

thing of the sort took place a month ago, when money rose to 10 per cent., and dropped back to 5 per cent. in two or three days. The new Clearing House rules are designed to curb the practice of direct lending by corporations by increasing the charge which the banks make for their services in placing the loans. However, it is highly improbable that the corporations will be discouraged so long as the call rate is high enough to make it more profitable for them to lend their money direct and pay the service charge than to take the low interest paid by the banks on deposits or the low yields on stocks and bonds. The call market is not going to lose funds, but the banks presumably will have some salve for the loss of deposits.

It is believed here that the arrangement of the banking credit for Spain will discourage speculation in the peseta, although it is not expected that it will be necessary to use much of the credit. Presumably the credit is a step toward resumption by Spain of the gold standard, but no immediate developments along that line are anticipated.

FRANCE.—GENERAL CONDITIONS SATISFACTORY—JULY NEW ISSUES—BOURSE MOVEMENTS—MONETARY POSITION—PRICES AND COST OF LIVING.

(FROM OUR CORRESPONDENT.)

PARIS, August 14.

The general situation remains satisfactory. Taxes are coming in freely, in spite of the holiday season; the Treasury is overflowing with money, and industry in general is showing increased production figures. The general index figure for industrial production in June (based on 100 as representing 1913 levels) is returned as 128, as against 125 in May and 123 in March and April. Five of the seven leading productive industries return appreciably increased figures. Motor-car production in June stood at 670, equivalent to a rise of 3 points on the month, and of no fewer than 91 since February. Engineering is returned at 143, against 131 in March; extractive industries at 117, against 115 four months ago; and rubber at 595, against 540 at the same period. The building trade, which in this country is regarded as one of the most reliable clues to the general situation, made another substantial advance in June, and, for the first time since the war, touched 98, or only two points below its 1913 figure (equivalent to a rise of 11 points on the month and of 23 since February). Metallurgical production, the figure for which rose from 123 in March to 129 in May, dropped back in June to 126, while textile production dropped exactly to its pre-war level of 100, thus recording a loss of 5 points since March. Reports from the Roubaix area, nevertheless, show that the mills have orders in hand sufficient for between three and four months' work, at present output rate. As in the previous two months, coal production showed a substantial increase—from 4,248,000 tons in May to 4,463,000 tons in June, to which should be added 1,064,000 tons from the Saar area (against 997,000 tons in May). Iron ore extracted totalled 4,201,000 tons, or 228,000 tons more than in May, and 600,000 tons more than in April, but still a fractional amount less than in March. The output of cast iron (844,000 tons) was, as in the other countries, slightly below the May figure, while that of crude steel (796,000 tons) was fractionally above the previous month's level, as in Belgium, Germany, and Luxemburg, whereas the British total was 42,000 tons less, and the American nearly half a million tons down.

New issues during July totalled 1,155,000,000 (as against 925,000,000 in June and 688,000,000 in May), of which 840,000,000 were in shares (against 625,000,000 in June), and 313,700,000 in bonds, the latter including an issue of 84,600,000 of 15-year 5 per cent. bonds designed to be handed to *sinistrés* in payment of war losses. New companies issued during the month represented 222,800,000, as against 79,900,000 in May and 55,400,000 in April. The average rate of interest offered for new bond issues was 6.35 per cent. (against 6.55 per cent. in June, 6.65 per cent. in May, and 6.75 per cent. in April), this figure being arrived at after taking amortissement conditions into account, and ignoring taxation (except transfer tax).

Quotations on the Paris Bourse experienced an almost

universal decline in July. The index figures for the various categories (based on 100 as representing 1913 quotations) reveal the enormous capital loss sustained by holders. Quotations of 52 descriptions paying fixed dividends had an index figure in July of 83.7; 288 shares and bonds, with variable yield, were represented by 397; against which 17 foreign issues of non-fixed yields have a general figure of 630.

The index figure of 397, representing the present capital value in paper francs (as compared numerically with gold francs in 1913) of issues by first-class French financial and industrial concerns which pay non-fixed dividends, in many cases scarcely represents the real position more than approximately. Thus the group of ten railway issues (owing to special and almost certainly temporary circumstances) has a present index figure of only 124 (a drop of 12 points on the month), while that for the group of 13 steel and iron undertakings stands at only 179. One reason for the low situation of the latter is that in many cases the taxation payable on the coupon is equivalent to the whole yield, and in some instances even exceeds it. On the other hand, the present market value of textile descriptions, which stand at the head of the list, is represented by an index figure of 840, and insurance company shares by one of 620 (a rise of 14 points on the month). Other interesting figures are electrical undertaking shares, 494; construction material, 554; chemical issues, 392; metal-working concerns, 345; shipping, 366; collieries, 322; and banks, 314.

Bank shares remain the most active department of the Bourse. During the past fortnight *Crédit Lyonnais* have risen from 3,470 to 4,200, *Union Parisienne* 2,405 to 2,995, *Banque de Paris and Pays-Bas* 3,880 to 4,770, and *Crédit Foncier* 4,640 to 5,075—all 500-franc shares, yielding from 11 per cent. to 24 per cent.

Analysis of the Bank of France statement reveals that, contrary to what was generally expected, the vast majority of foreign purchasers who invested heavily in French industrials during the spring, allegedly for purely speculative purposes, did not buy for the purpose of taking profit on stabilisation, but are wisely retaining their holdings. Money therefore remains abundant, and at easy rates. The generally entertained belief that stabilisation would be followed by an all-round rise in prices to the extent of something like 10 per cent. has also proved to have been unfounded. The trend of prices since the end of May, as a matter of fact, has been steadily downwards.

The index figure for wholesale prices at the end of July is returned by the *Statistique Générale* at 637 (as against 639 at the end of June, 646 in May, 633 at the end of July, 1927, and 854, the record high figure recorded in July, 1926). As this figure (based on 100 as representing prices in 1914) represents prices in depreciated francs, it works out in gold as a shade over 127, as compared with the following for June:—Great Britain, 149; Germany, 141; Switzerland, 151; Holland, 152; Italy, 636; Belgium, 844; Czechoslovakia, 986; and Spain (May), 164. The detailed figures are as follows:—

Articles.	—End of Month of—			
	July.	June.	May.	June.
General index figure	45 .. 637 ..	639 ..	646 ..	633 ..
French products	29 .. 622 ..	625 ..	631 ..	631 ..
Imported products	16 .. 665 ..	666 ..	673 ..	673 ..
Foodstuffs (general figure)	20 .. 597 ..	602 ..	610 ..	610 ..
Vegetable foods	8 .. 616 ..	640 ..	670 ..	670 ..
Meats	8 .. 524 ..	527 ..	515 ..	515 ..
Sugar, coffee, cacao	4 .. 721 ..	692 ..	692 ..	692 ..
Raw materials (general figure) ..	25 .. 673 ..	672 ..	677 ..	677 ..
Minerals and metals	7 .. 584 ..	584 ..	593 ..	593 ..
Textiles	6 .. 765 ..	770 ..	764 ..	764 ..
Various	12 .. 671 ..	666 ..	677 ..	677 ..

Prices of domestic products, which rose 14 points in May and fell 6 in June, are shown to have fallen a further 3 points, while imported goods are also again lower. The figure for retail prices in Paris (based on those of 13 articles of common necessity) is returned at 547, or a drop of 10 points on the month, as compared with 500 in November last, 628 (highest) in November, 1926, and 480 in January, 1926. A sounder comparative figure is that furnished by the local committee, which publishes at the end of every quarter a figure indicating the cost of living (including food, lighting and heating, rent, clothing, and sundries) of a working-class family of four people. This is returned for the second quarter of the year

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as 519 (based on 100 as representing similar factors in 1914). From this it would appear, if the paper franc figure be reduced to gold, that the Paris workman's living expenses are now rather less than 4 per cent. more than in 1914, whereas his British comrade has to spend well over 50 per cent. more. The French working-class family is helped appreciably by the special rent law, which maintains old tenants of this class at rents that must not exceed double the pre-war figure. The figure for working-class rents is returned at 275, which suggests that Paris workmen are now paying (in gold) the equivalent of only 55 per cent. of the rents demanded in 1914, when 75 per cent. of the whole volume of Paris tenancies were held at rents that did not exceed 500f (£20) a year, and were exempt from direct taxes of all kinds.

GERMANY.—CREDIT — FINANCES — PRICES — INDUSTRY—CROPS—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, August 14.

The withdrawal or voluntary repayment of dollar deposits and credits continued last week at a rather faster pace under influence of the relative cheapness of money here and of the stringency in New York. In exchange funds were offered from the Continent and England. The dollar exchange has moved from 4.1935 on August 7th to 4.1985 to-day. Day money was abundant, but the rate, after falling to 4.6 per cent. on August 9th, rose to $4\frac{1}{2}$ - $6\frac{1}{2}$ per cent. to-day. The contango credit market weakened, and the money available could not find takers, this despite the fact that stocks have risen considerably since the beginning of the month, thereby involving a larger demand for carrying over to the next settlement. Month money has been in demand at a somewhat increased rate to-day at $7\frac{1}{2}$ - $8\frac{1}{2}$ per cent. The Berlin market looks for relatively easy money during the rest of the month, provided there is no increased stringency in foreign markets.

The Reichsbank's return for the first week of August is satisfactory. Discounts declined by 207 million marks, advances by 47 million marks, and circulation by 221 million marks. As compared with July 7th discounts are practically unchanged, advances have risen from 27 to 29½ million marks, and circulation has fallen from 4,427 to 4,348 million marks. The gold reserve rose by a further 32 million marks to 2,232 million marks, and the legal-cover exchange reserve by 31 million marks to 214½ million marks. The increase in the exchange reserve, despite the further purchases of gold, may be due to a simple transfer to this item from the unspecified free exchange reserve, but it is suggested in one journal that the Reichsbank, contrary to its recent practice, has been buying exchange, its aim being to put up quotations in order to check further gold imports and "in order to help the Bank of England in its desire to maintain its 4½ per cent. discount rate in face of the 5 per cent. New York rate." The legal cover for notes in gold and exchange rose during the week ended August 7th from 52.2 to 56.3 per cent.

The Finance Ministry's return for the first quarter (April-June) of the current financial year shows on the ordinary Budget revenue totalling 2,241 million marks and expenditure 2,171.3 million marks; and on the extraordinary budget revenue 63 million marks, expenditure 107.8 million marks. The combined ordinary and extraordinary surplus was 241.7 million marks.

The Federal funded debt on June 30th was 7,609.6 million marks, against 7,652.2 million marks. These figures include the Dawes foreign currencies loan, now valued at 901.8 million marks. The floating debt is 333.8 million marks, whereof 217.3 million marks consists of Treasury bills. Of the funded debt 5,247.8 million marks consists of valorised paper-mark loans. The Finance Ministry is engaged in preliminary work for the Budget of 1929-30. The work is not easy, as the decline in trade, though so far slow, threatens to be considerable. Also, the standard Reparations annuity will be in force before the beginning of the financial year, and the Budget contribution (including transport tax) will be 1,540 million marks, as against 1,247 million marks in the current financial year.

The official wholesale prices index number for August 8 is 142.2, the highest so far. The number for January, 1928, was 138.7, for January, 1927, 135.0. The fact that the price rise continues, despite slackening trade, and that the rise is more rapid than it was in the good trade year of 1927 provokes comment. All five groups in the index show rises. Since January, 1927, much the greatest rise (150.9 to 175.9) has been in the group "manufactured wares for consumption," the branch in which trade slackening first became visible; but this rise seems to have come to an end, whereas the "industrial means of production" group, wherein the production level was longer maintained, is still going up. In spite of one rise in coal prices and two rises in steel prices this year the index for raw and half-manufactured materials has risen very little.

In the second half of July persons drawing unemployment insurance pay declined from 579,800 to 564,000; those drawing "crisis relief" from 89,600 to 82,900. Stories of an impending international coal understanding continue to be treated with scepticism. German exports persist that the foundation of regional coal syndicates in England is a very small step towards creating a British national organisation with the authority necessary for making and enforcing the observance of international agreements. Germany also at first had local coal agreements, but it took five years for some of her ablest business men to create the Rhenish-Westphalian Syndicate. The home iron and steel market remains dull, but export trade is active at rising prices. Production of pig-iron in July was 1,034,694 metric tons, as against 1,021,350 tons in June and 1,108,893 tons in July, 1927. The production per working day in July declined. Imports of heavy iron and steel goods in the first half of 1928 were 1,361,116 metric tons, and exports 2,453,110 tons. Despite *dementis*, reports from Poland persist that progress is being made for taking over by the Harriman interests of the Laurahutte, Kattowitz Bergbau, Bismarckhutte and Silesia coal and metal companies, and perhaps for their fusion under a "roof company." This

plan is disfavoured in Germany on several grounds, one being that the Giesche Company was Polishised after being acquired by the Harrimans. There is also opposition from Polish Nationalists and from some Polish manufacturing industries, which believe that an omnipotent American organisation for the supply of raw materials would be harder to deal with than Germans. Machinery imports in the first half of 1928 were 35,318 metric tons, and exports 253,669 tons. Exports of agricultural machinery were 42,551 tons, against 44,339 tons in the same half of 1927, but their value increased. Exports to Russia and Italy fell off heavily, but those to Poland and the Baltic States increased. Imports of agricultural machinery rose from 3,921 tons to 6,652 tons, the increases being mainly from the United States and Canada. The export of clocks and watches increased. The Government has refused the request of the locomotive industry for help. It gives financial grounds and also the ground that the industry has done nothing to help itself. There are 20 concerns, as against 17 before the war, and their productive capacity is about 5,000 locomotives. The Railways Corporation, except for certain sorts, has at present more locomotives than it needs; but its normal need will be 900 a year. Total home and export sales in 1912 were 4,052 locomotives; 1926, 615; 1927, 870. Exports have fallen to about one-third of the pre-war figure; and it is admitted that the average export price is about 1,000 marks a ton, and the home average price for similar kinds about 1,700 marks.

The Potash Syndicate's home and export sales in the first seven months of 1928 totalled 905,639 tons (of pure potash), as against 803,768 tons in the same months of 1927. The official crops conditions index (based on 2 = good, 3 = medium, and 4 = meagre) shows for August 1st: winter wheat 2.7, spring wheat 2.8, winter rye 2.9, spring rye 2.9, oats 2.9, sugar beet 3.0, potatoes 3.1. The index numbers for the wheat, rye, and oats crops have not changed since July 1st. Sugar beet has changed a little for the better and potatoes for the worse. For winter cereals a good average crop is expected. Spring cereals have in places suffered from lack of moisture.

The Bourse was moderately active, and prices on the whole moved upwards, this being due mainly to heavy purchases of favourite stocks in the electro-technical and motor-car groups. The *Frankfurter Zeitung's* stocks index (basis, 1926 = 100) shows for August 10th 142.50, as against 141.86 on the 3rd. Yesterday the Bourse was undecided and weakish, with, however, a big demand for I.G. Farbenindustrie. To-day favourite stocks rose considerably, and a strong interest was shown in coal and iron shares, which had been neglected during the past months. To-day's firmness was attributed to the Bourse Committee's decision to abolish the mid-month settlements for forward sales and purchases, and to revert to the pre-war system of one settlement a month. This decision has yet to receive official sanction. The Frankfurt on Main Bourse is expected to follow Berlin's example.

CZECHOSLOVAKIA. — PARLIAMENT — SLOVAK AUTONOMY—TRADE RETURNS—GENERAL CONDITIONS.

(FROM OUR CORRESPONDENT.)

PRAGUE, August 3.

THE summer session of the Czechoslovak Parliament, which has just ended, has been occupied almost exclusively with discussions on the changes which the Coalition is anxious to introduce into the Social Insurance Law at present in force. This law was introduced when the Socialists were also in the Government, and their strong opposition, while it has been waged on the grounds that the new changes are to the detriment of the working classes, seems also to have become a matter of party prestige. No definite proposals had been presented to Parliament before it rose, negotiations then proceeding between Government and Opposition, while a committee of technical experts was also sitting, whose report on the probable effects on industry and on the worker of the changes proposed will be presented in September. Only in the new Parliamentary session can any agreement be

arrived at. In the new law it is intended to include employees of private firms, journalists, &c., as eligible for insurance and pensions—so increasing the number of insured by about 300,000.

The resignation tendered by the Minister of Finance, Dr Englis, has not been accepted by President Masaryk. Nevertheless, it can only be a matter of time before Dr Englis is replaced, seeing that his economic policy and that of the leading party in the Government, the Agrarians, differ so widely. As already reported, the Finance Minister does not support the ever-increasing demands for State subventions on the part of various industries, immediately they begin to feel the pinch of foreign competition, and sees clearly that the grants demanded by the sugar and corn trades cannot finally solve a problem which has arisen out of world conditions. But the Agrarians have the power, at present, and according to statements in their Press, they intend to further agrarian interests by increased corn, sugar, and other duties. Textiles, malt and other industries, which had heavy losses in the past, had to meet them themselves, but it is probable that large subsidies will be granted to sugar, despite the very successful years which that industry experienced not long ago.

The Agrarians' customs-duty-policy can hardly be described as a help to Dr Benes in his quest for commercial treaties, e.g., it has not been possible to sign a commercial treaty with Yugoslavia, despite the close political understanding between that State and Czechoslovakia, and the customs agreement with Poland may be in serious danger because of this same policy.

Dr Svehla, the Prime Minister, who is still in very indifferent health, will probably resign at the beginning of the next session, and certain changes in the present Coalition may result. The Socialists are evidently anxious to join the Government once more, but much will depend upon whether the rumoured negotiations between the Czech and Slovak Popular Parties (the Clericals) will come to anything. If they do, then Dr Sramek, acting Prime Minister and leader of the Czech Clericals, though it is not probable that he will succeed Dr Svehla, will find himself in a position of great power and able to negotiate many advantages for his Party.

The last Ministerial Council considered the draft of the 1929 Budget. There are no changes of importance; expenditure on administration and State necessities will be slightly increased, but the general expenditure will be reduced by about 400,000Kc (£2,500). It is felt that stability has now been attained in most of the budgetary items.

The appointment of a Governor of Slovakia (Dr Drobny) and the new system of administration, both in that province and in Ruthenia, should be the first step towards real local autonomy in these regions. Under the new arrangements, the unification of Slovakia will be attained. Finance, police, education, hygiene, &c., will all be henceforth controlled by a Provincial Council of twelve members, appointed by the Provincial Assembly, two-thirds of the latter being popularly elected, and the other third nominated by the Government. If the Slovaks are able to use the new powers granted them, there is no reason why the much criticised centralising policy of Prague should not rapidly decline.

The trade returns for June show a favourable balance of 238.5 million Kc, as compared with an adverse balance of 30 million Kc in the same month last year, while for the first six months of 1928 the trade balance is favourable to the extent of 769 million Kc. The figures are as follows:—

	(In Millions of Kc.)			
	June, 1927.	June, 1928.	Jan.-June, 1927.	Jan.-June, 1928.
Imports	1,525.7	1,390.5	7,539.8	9,017.1
Exports	1,495.5	1,628.9	8,785.4	9,786.1
Fav. balance ..	— 30.2	238.4	1,245.6	769.0

Exports of manufactured goods attained the same high level, and sugar exports increased, and according to the latest reports Czechoslovak industries are doing well in general, cotton and flax reports are comparatively unfavourable, but coal, iron and steel are in a very good way. Despite increased costs of production for crude iron and steel, orders are plentiful, and coke and coal production are much increased as compared with the same period last

year. General business conditions continue favourable, while unemployment is still on the decrease, there being only 35,999 out of work (16,537 of whom received State aid), as compared with 52,470 in the same month in 1927. Harvest reports also expect better yields than last year, particularly in corn and barley.

The appreciable drop in the wholesale index—in gold parity from 144.3 to 143.2—during June is mainly due to fall in the index of provisions and foodstuffs. The retail index rose slightly, while the cost of living remains practically unchanged.

HUNGARY.—POLITICS—REVENUE—TAXATION AND NATIONAL INCOME—HALF-YEAR'S TRADE—CROPS.

(FROM OUR CORRESPONDENT.)

BUDAPEST, August 11.

BOTH Houses of Parliament are adjourned and will not re-assemble before October. After an unusually busy session there is a complete standstill. It seems now almost certain that the offer of the Hungarian Government to Rumania to settle the long-protracted dispute of the Optaus case by direct negotiations, as suggested by the League Council at Geneva in June, will not meet with the approval of Rumania. Count Bethlen once more declared before the close of the Parliamentary session that Hungary will not modify her attitude, and will insist on arbitration before the International High Court, as provided in the stipulations of the Trianon Treaty. It is as yet uncertain whether, in the absence of Sir Austen Chamberlain, who was rapporteur, the September Council of the League can deal with the case, but it is certain that the question will remain in the forefront of international politics.

The monthly report of the Finance Minister discloses very satisfactory results. The fiscal year ending on June 30, 1928, produced a revenue of 961.4 million pengös, as compared with 901.1 millions in the previous budget, in spite of considerable reductions effected during the past fiscal year. Revenue exceeded expenditure roughly by 94.8 millions. The surplus of the previous fiscal year was 121.5 millions, and it seems that in future the budgetary surplus will be considerably lower owing to the increase of the salaries of the civil servants and the larger sums devoted to current investments within the limits of the ordinary Budget. The surplus of the past fiscal year, together with the last portion of the League's Reconstruction Loan, will be spent on productive capital investment, as provided by the Finance Act. The healthy fiscal policy of the Government, strictly in accordance with the Reconstruction Scheme of the League, has brought about a sound economic development. Treasury receipts were increasing hand-in-hand with the rising national income. It is well to remember that whereas in 1924-25 the national income was estimated at 3,600-4,000 million pengös, after four years of the operation of the League's Reconstruction Scheme the national income is estimated at about 5,200 million pengös on a rather conservative basis, which means an income of 600 pengös per capita as compared with 750 pengös at the outset of the Reconstruction Scheme. The aggregate tax burden, including local rates, stands at 115 pengös per capita, as compared with 90 pengös four years ago, which reveals that although the tax burden has been substantially increased with the increased national income, the total taxation works out to 19 per cent. of the aggregate income, as compared with 20 per cent. four years ago.

The development of economic activities is making satisfactory progress. Fostered by abundant foreign credits, trade and production figures are constantly increasing. The rising standard of living is demonstrated in the steadily increasing consumption of the staple commodities. Unemployment is practically non-existent, although trade union returns show 13,861 unemployed in July as compared with 13,110 in the previous years. Bankruptcies and compositions considerably increased in 1928, and numbered 1,000 in the first half of the year, largely owing to failures in textile branches. Foreign trade returns disclose a heavy adverse balance amounting to 198.7 million pengös in the first six months of the year, as compared with 173.8 millions in the corresponding period of last year. The volume of both exports and im-

ports has increased, exports totalling 361.6 million pengős, imports being at 566.3 million pengős. The heavy adverse balance is explained by the foreign credits granted for the economic development of the country, which necessitates large imports of raw material essential to the raising of the productive capacity of the resources of Hungary. It is hoped that the second half of the year will produce larger export figures, but even discounting the export possibility of the excellent crops, it is obvious that as long as Hungary is borrowing her trade balance will continue to show an adverse balance, the extent of which must on the whole correspond to the amount borrowed. Unfortunately, Austria and Czechoslovakia recently passed high agricultural tariffs which impede considerably the difficulties of the Hungarian flour export.

The last report of the Ministry of Agriculture estimates the wheat crop at 24,350,000 quintals, which is 3,412,000 quintals more than the results of last year. The average yield of wheat is 8.38 quintals per Hungarian acre, and in some districts yields of 10 quintals and more are recorded. The quality of the wheat is excellent. Rye estimates are returned at 8,130,000 quintals, as compared with 5,681,000 quintals in last year, the surplus being 2,449,000 quintals. The harvesting of wheat and rye is completed; that of barley and oats is in full swing. Barley estimates are returned at 5,876,000 quintals, 719,000 quintals more than last year's; oats are at the same figures as last year at 3,278,000 quintals. The golden weather of July considerably improved both the quality and the quantity of the grain crop, producing some 6 million quintals more than last year, but somewhat damaged the prospect of the potatoes and maize. However, the situation might improve if sufficient moisture were forthcoming. Beet sugar equally suffered from the drought.

The financing of the harvest will cause no difficulty. The National Bank and the Corporation of Banking Institutes are using their good offices in the provinces and controlling credit conditions and providing the small country banks with accommodation. The problem of agricultural credit is still in the forefront of the economics of Hungary, and there is good reason to hope that the 200 million pengős which will be available within the next two years for the landowners as indemnity for their property allotted to smallholders by the Land Reform of 1920 will enable them to repay their onerous debts and use the remainder to further their productive capacity. Although this year's grain crop is greater than any of the previous year's, and is due in no small degree to the drainage and artificial fertilising schemes recently carried, Hungary has still more than a million acres of land which may be reclaimed for production.

JAPAN.—BUDGET PROSPECTS—JUNE TRADE—NEW ISSUES—MONEY AND STOCKS—NEW BANK GOVERNOR.

(FROM OUR CORRESPONDENT.)

TOKIO, July 10.

WITH a few exceptions, all the spending Departments have prepared their estimates for 1929-30 and submitted them to the Treasury. The new items of expenditure they claim are expected to amount to nearly 300 million yen in the aggregate, which, together with fixed charges, brings up the total national expenditure to 1,950 millions, if they are budgeted for *in toto*. But the fund to be drawn upon to meet the new charges is rather scanty, for the major portion of last year's surplus has already gone for supplementary estimates on the coronation, the despatch of troops to China, &c., and the current year's normal growth of revenue cannot be hoped for much in view of the financial state of the country. As a matter of fact, the national accounts at the end of April disclose that revenue fell by 10 million yen, while expenditure rose by 180 millions. Though the loss may be compensated to some extent by Reparations receipts, receipts from the increased duties on iron and steel and timber, and savings to be made on fixed charges, the available funds in the hands of the Finance Minister will be barely enough to meet one-third of the new departmental claims. It is, however, more than doubtful whether heads of the spending Departments may acquiesce in and easily drop their "important programmes" once again. The Finance Minister will probably have to accede to their demands

beyonds the limits that sound finance justifies, by way of new loans, a raid on the sinking fund and other injudicious expedients. In any case, there is no prospect of a reduction in the Budget total.

The trade returns for June are rather discouraging. Both imports and exports show a marked contraction; imports at 170,437,000 yen fell by 17 million yen, and exports at 143,610,000 yen by 36.5 millions, the total turnover thus being 53.5 millions, or 14.5 per cent. lower than in the corresponding month of last year. The decline in imports is largely accounted for by raw cotton, oil-cake, rice and wheat, while the falling-off in raw silk and cotton yarns and manufactures is mainly responsible for the decrease in exports. But the half-year's trade record, as a whole, is not so discomfiting. A comparison of the value figures for the first six months of the year with the corresponding half-year of 1927 reveals that imports at 1,177 million yen fell by 67 millions, while exports at 942.7 millions decreased by only 6 millions, the import excess at 234 millions being 61 millions lower. The adverse balance at the end of the first six months of the year is the lowest since 1919.

The past half-year has proved to be the most active period in the new capital market. According to the Bank of Japan's statistics, the new capital issued during the first six months of the year totalled 1,197 million yen, which compares with 605 millions in the corresponding period of last year. The increase is general for the Government and other categories of capital-raisers, but companies' borrowings at 872 millions represent a substantial proportion of the total for the period. These issues, however, were largely for refunding purposes at lower rates, advantage being taken of easy money conditions. The expansion in Government borrowing is substantially accounted for by the bonds issued for the relief of the Bank of Formosa under the Special Emergency Loans Act.

The pressure of the half-yearly settlements on the money market was far less pronounced than usual. Short loan rates began to fall off on the first day of the new month, and new money could be borrowed again as cheaply as 2 per cent. The city banks are discussing the lowering of deposit rates by $\frac{1}{2}$ per cent. to $4\frac{1}{2}$ per cent. from the latter part of the month. Easier monetary conditions have obviously favoured the bullish operations in the stock market, and there was a sharp rise in shares of most sections after the turn of the month, some of the favourites having reached the new high levels. On the other hand, the Bank of Japan's wholesale index number for last month registered a drop of 3.42 points, the total being 223.46, against 226.88 for May. The upward movement in the general level of commodity prices developed in April has thus been reversed, and the gain made in the previous two months has been more than offset by the loss in last month.

Mr J. Inouye resigned the Governorship of the Bank of Japan on June 12th. Mr H. Hijikata, Vice-Governor, succeeded him, and Mr E. Fukai, the senior director, was appointed Vice-Governor vice Mr Hijikata. The change in the Bank Court was well received, for there had been some fear of a "political" appointment under the present Government.

Despite strong protest from Stock Exchange and other business circles, the clearing banks have decided to observe Saturday half-holidays beginning with the current week.

SOUTH CHINA.—FINANCIAL PROBLEMS—AN ECONOMIC CONFERENCE—BUSINESS CONDITIONS.

(FROM OUR CORRESPONDENT.)

HONGKONG, July 10.

IT is surprising that the important political developments in the North hold such little interest for the Chinese, either here or in Canton. The future of China is now in the balance, and one would have thought that the Cantonese, who have consistently supported the Revolutionary leaders ever since the overthrow of the Manchu dynasty, would have brought their influence to bear on the plans for evolving a national Government. The explanation of this indifference is probably to be found in the disillusionment of the rank and file of the Kuomintang. Yet it is just at

this time that the rank and file could most usefully assert themselves, for the Kuomintang leaders show signs of bewilderment, and are probably quite ready to receive the advice of their followers, who have been neglected for so long. In Shanghai Mr T. V. Soong, the Finance Minister of the Nanking Government, recently summoned a Conference of Bankers and Merchants, an unprecedented event in the brief history of the Nationalist movement, and one of considerable significance. In the first place, the Conference was conducted on strictly businesslike lines and was not a mere political demonstration. In the second place, the resolutions passed were extremely practical, bearing directly on the basic causes of China's economic troubles. And, thirdly, the value of the Conference may be gauged by the reply of one of the members when asked whether notice would be taken of the meeting's proposals:

"This is a joint Conference of all the elements which enter into providing the Government with funds. If our resolutions are ignored, where will the Government get its money?" That answer seems to put the case in a nutshell. Now that the enemy of Nationalism has been overcome the victors are faced with all the trials and troubles of a new régime, a thousandfold complicated by the chaotic condition of the whole country. National pride demands the exclusion of as much foreign assistance as possible, and the impatience of the younger leaders will probably lead to the destruction of the various administrative services, which have been laboriously built up by foreigners working to the standard of Western efficiency and honesty. If these services go, then with them goes what little credit can be obtained from abroad. This means that the Government will be thrown back on the native capitalist, whose experiences of recent years make him particularly chary of unsecured loans. Through the Economic Conference the Shanghai business man has shown that, if the Government requires funds from him, it must first put its house in order. The resolutions passed at the Conference are grouped under different headings. The first group deals with the need for consolidating the various provincial loans, and recommends the appointment of a Special Commission to go into the question. To provide funds for the period of reconstruction, a rehabilitation loan of \$300,000,000 is suggested. This loan would be used to effect the demobilisation of all surplus army units over and above a proposed force of 500,000, and to provide for such purposes as reconditioning the railways, river conservancy, port development, and, if sufficient funds are available, popular education. In the opinion of the Conference, this loan should be under the control of a committee of bankers and merchants elected by their own organisations, and, in addition, it is suggested that there should be a separate Sinking Fund Board similarly constituted. Further resolutions deal with tariff autonomy, currency reform, restriction of militarist use of railways, and protection of private property. As a whole, the resolutions seem to have been well thought out, and should strengthen the hands of the Government in their negotiations with the militarist leaders, who may prove troublesome with the prospect of unemployment facing them.

The success of the Economic Conference has already had an effect on the Shanghai Stock Exchange, all the domestic loans at present in default having improved in value appreciably. Mr T. V. Soong is on his way to the Peking Conference with full knowledge of the bankers' and merchants' views, and it is a matter for regret that Marshal Li Chai Sum, who will carry great weight at the Conference, has left Canton for Peking without any attempt to consult the opinion of the influential business men of the Southern Metropolis. Whether the latter will confer amongst themselves is doubtful, and, so far, no move has been made to do so. Nor is there any prospect of the initiative coming from official circles, for Marshal Li left so hurriedly that he did not wait to ascertain whether the General appointed by him as his deputy would serve, and, as it happens, this General refuses to leave his task of reorganising the provincial administration of Kwangsi. With Mr Chu Chao Hsin, the Foreign Commissioner, summoned to Nanking as Vice-Minister for Foreign Affairs, there appears to be no official of any standing left to take charge of Canton. The city itself is safe from external attack, but Communist activity is

still a menace and causes anxiety to officials and citizens alike. Municipal administration is functioning fairly well, but a great deal of irritation is being caused to local enterprises by the Municipality's preposterous methods of taxation.

Business in Hongkong remains extremely dull, with no sign of any improvement in the near future. Piece-goods clearances have been most disappointing and orders for replacement very poor, probably about 60 or 70 per cent. of the quantity required in a normal year. The export of ginger, for which Hongkong is the principal centre of the world, is at a standstill, owing to the dealers wishing to force upon merchants a new form of contract, the terms of which appear to be unworkable. A deadlock has resulted from attempts to negotiate a settlement, and in the meantime no business is possible in the new season's crop, which is now available. Unless a settlement is arrived at within the next few weeks, shipments to London for the Christmas trade will be jeopardised.

Books and Publications.

AN EXPERIMENT IN INDUSTRIAL DEMOCRACY.*

MR GUILLEBAUD'S book on the German Works Councils is, if not the first, at any rate the first comprehensive account of the system to be written in English at a sufficient distance of time from its inception to suggest the possibility of definite conclusions. As such it is, of course, an exceedingly valuable contribution to the literature of industrial organisation. In making it, the author has necessarily been faced with a disconcerting mass of facts and opinions relating to a wide and diverse field of economic effort; and it is greatly to his credit that in spite of a certain unrelieved heaviness of style, he does manage to give the shape and semblance of a wood to the straggling trees and tangled undergrowth of his material.

The Works Councils system as it exists and functions in Germany to-day may perhaps be cited as the one surviving economic offspring of the 1918 Revolution. Mr Guillebaud describes it as the "child of two parent ideas, the one constitutional, the other essentially revolutionary." Its constitutional parent is the old voluntary factory committee which in certain branches of industry was made compulsory in 1916. Its revolutionary parent is Article 165 of the Weimar Constitution of 1919, drafted under pressure of revolutionary feeling inspired by developments in Russia, and guaranteeing to the workers "equal rights in common with employers, in the regulation of wages and of working conditions, as well as in the whole economic development of production." It was by virtue of this somewhat airy commitment that in 1920 the Government drafted the Works Councils Act. Its ultimate form, complex and obscure as Mr Guillebaud's readers can see for themselves, reflects a difficult compromise between the swollen ambitions embodied in this previous commitment, and the political and economic reaction of the intervening year. It may well be described as a pale and anæmic expression of Article 165. And Mr Guillebaud's analysis suggests that a similar relation characterises the terms of the Act and its subsequent operation in practice.

Must we therefore write off the whole experiment as a demonstration of abortive industrial democracy? Mr Guillebaud does not seem anxious to draw this conclusion, though some of his readers will undoubtedly make his researches the excuse for doing so. He shows clearly enough that the "equal rights" foreshadowed in the Weimar Constitution have been, and must continue to be, under the existing institution of private ownership, wholly illusory. The Works Councils have never even developed into the independent structure based on regional organisation, contemplated by the framers of the Act of 1920. This is partly due to their quick subordination to the trade unions, which in 1920 pulled their weight as a conservative force opposed to the reconstructive ambitions of the more optimistic industrial democrats. In the sphere of industrial welfare, and with regard to the super-

* "The Works Council." By C. W. Guillebaud. Cambridge University Press, 16s. net. Pp. 305.

vision of protective legislation (one of the most important and definite of their statutory duties) their activities appear to have been largely vitiated by deficiency of expert knowledge and by friction between employers and employed—though, on the other hand, the power of the Councils to intervene in the case of arbitrary dismissal seems to be a valued attribute of the system. Mr Guillebaud gives us reason to believe that the extraordinary reluctance of employers to put their business cards on the table, and their deliberate attempts to withdraw relevant facts and figures from the area of statutory co-operation, have contributed to this negative result. On the positive side, however, the Councils have not been without influence in adding a new element of constructive idealism to the old "class war" philosophy of German trade unionism. And at a time when conditions in the labour market and in the political arena were likely to cause acute friction between employers and employed, conditions whose future recurrence is not improbable, the Works Councils served rather as a safety valve than as an irritant. Although their strength, both qualitative and quantitative, tends like the strength of trade unionism to reflect the movements of relative bargaining power between employers and employed, in other words to rest rather upon the freely acting forces of supply and demand than upon any statutory determination of status, Mr Guillebaud is tempted to stiffen his tentatively suspended judgment regarding the future with the suggestion that the Act of 1920 contains the germ of a reconstructive idea which may be destined to have a vitalising effect upon economic organisation.

An incidental element in the value of his book is its detailed explanation of the complicated system of legally enforceable collective agreements, Conciliation Boards, and Labour Courts, into which the new system is dovetailed, and which must be comprehended as its background.

BOOKS RECEIVED.

[Brief mention of a book in this column does not necessarily mean that it will not receive fuller notice in a subsequent issue.]

Adam Smith, 1776-1926. (Chicago) The University of Chicago Press. \$3.00.

This is a remarkably interesting collection of lectures delivered at the University of Chicago by Professors J. M. Clark, Paul Douglas, Jacob Hollander, Glenn R. Morrow, Melchior Palyi, and Jacob Viner. The series was designed to commemorate the sesquicentennial of the publication of the *Wealth of Nations*.

Urban Land Economics. By Herbert B. Doran and Albert G. Henman. (London) Macmillan and Co., St Martin's street. 17s net.

The title suggests something more technical than is actually presented by this text-book. In spite of an imposing collection of maps, plans, diagrams, and tables, especially in the section on "The Extent of Urbanisation," the work is primarily a treatise on the common-sense of urban land utilisation, intelligible to any reader. This is in accordance with its purpose, as stated in the preface, "to direct attention to the field of urban economics," and it should fulfil that purpose efficiently.

Economic Problems. By Fred Rogers Fairchild and Ralph Theodore Compton. (London) Macmillan and Co., St Martin's street. 12s net.

This reader bears almost the same relation to an economic text-book as the book of extracts from classical authors bears to the Latin primer. It is intended to enable the first-year student of economics to test his knowledge of the principles he has just learnt by applying them to concrete economic problems. It differs, however, from the Latin reader in that the extracts included are of a controversial character, and if the reasoning in them is false, "so much the better," say the compilers. The object is to lead away the student "from his preconception as to the infallibility of the printed word." The excellence of this principle has long been recognised, and there is much to be said for substituting current controversy for "the wrong opinions of dead men."

Groundwork of Economics. By R. D. Richards. (London) W. B. Clive, University Tutorial Press, Limited, High street, New Oxford street. 4s 6d.

Covers the usual ground with unusual efficiency in less than 300 pages. The book has the uncommon merit of maintaining close contact with everyday economic fact; for example, the chapter on markets gives the student some familiarity with the procedure and terminology of the Stock Exchange; the chapter on international trade includes an account of the Empire Marketing Board, and such important official sources of information as the *Board of Trade Journal* and the *Ministry of Labour Gazette* are discussed in the text instead of being cursorily referred to in footnotes. There is a useful summary at the end of each chapter, and the bibliography is most comprehensive.

Le mouvement Syndicale durant la Guerre. Par Roger Picard. (London) Oxford University Press, Warwick square. (Paris) Les Presses Universitaires. 30f.

Traces the movement from the outbreak of war to the schism at the end of 1921 by which the movement broke up into two camps: the *Comités Syndicalistes Révolutionnaires* on the one hand, and the remains of the *Confédération General du Travail* on the other.

Analysis of Railroad Securities. By Jules I. Bogen. (New York) Ronald Press Company, 15 East 26th street. \$6.00.

The investor in railroad securities is here offered over 400 pages of searching analysis of all matters, legal, geographical, and economic, affecting the prosperity of American railroads, and the value of their stocks and bonds.

Die Militärverwaltung in den von den Österreichisch-Ungarischen Truppen Besetzten Gebieten. Von Generalmajor Hugo Kerchnawe. (London) Oxford University Press, Warwick square.

This is a new volume in the Austro-Hungarian series published under the auspices of the Carnegie Endowment for International Peace. It deals with the military occupation by Austria-Hungary of Russian Poland, Serbia, Montenegro and Albania, Rumania, Italy, and the Ukraine. There are four maps.

Letters to an Absentee Director. By John Lee. (London) Sir Isaac Pitman and Sons, Limited, Parker street, Kingsway. 5s net.

Contains in very much diluted form a number of observations on the functions of directors, and on such kindred topics as shilling shares, employee shareholding, industrial combinations, trade unions, and works councils.

Traffic Tables for Use from July to December, 1928. (London) Fredc. C. Mathieson and Sons, 16 Copthall avenue. 1s.

Compiled from official sources, this miniature handbook contains tables of dividends, working expenses, and classified revenues for the principal British and South American railways. There are also tables of the Buenos Ayres and the Rio rates of exchange for July-December, 1926 and 1927.

Annual Statistical Report of the American Iron and Steel Institute. (New York) American Iron and Steel Institute, 75 West street.

Contains statistics of the production, import and export (by countries) of all classes of iron and steel and their products, tables of average monthly and yearly prices, &c.

Mathematical Principles of the Theory of Wealth. By Augustin Cournot. (London) Macmillan and Co., St Martin's street. 8s 6d net.

A reprint of the edition of 1897, with an essay and bibliography by Professor Irving Fisher.

Report of the Controller of the Currency for the Year 1927-28. By H. Denning. (Calcutta) Government of India Central Publication Branch. 1s 6d.

Official information under the usual heads, viz., foreign trade, bullion, exchange, Government balances and reserves, money conditions in India, the public debt, demand for the various forms of currency, the note circulation.

Wirtschafts-Statistisches Jahrbuch, 1927. (Vienna) Verlag der Kammer Für Arbeiter und Angestellte in Wien.

An admirable collection of statistics relating to Austrian industry, commerce, public finance, foreign trade, labour, banking and agriculture, with comparative tables for the years 1925-27. It would be impossible to give any idea in a brief summary of the amount of detailed information that is here available. There are also summary tables relating to other countries.

La Riforma Sociale. Luglio-Agosto, 1928. (Turin) "La Riforma Sociale," 60 Via Lamarmora.

Contains articles on "The Evasion of the Tax on Movable Property," "International Monetary Problems," and "Customs Duties and Imperial Preference in England."

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:—

Reports of the Imperial Economic Committee.—Ninth Report: Tobacco. Cmd. 3168. 9d net.

Ministry of Health: The Foundations of National Health. By Sir George Newman. 3d net.

Miscellaneous: League of Nations. Fiftieth Session of the Council. Report by the Rt. Hon. Sir Austen Chamberlain, K.G., M.P. 4d net.

Board of Trade: Report of the Standing Committee respecting Surgical, Medical, Dental and Veterinary Instruments and Appliances; Aseptic Hospital and Dental Furniture; and Dental Supplies. 2d net.

Board of Trade. Report of the Standing Committee respecting Cutlery. 2d net.

The Stock Exchange.

PROSPECTUSES AND THE PUBLIC.

ATTENTION has been called this week to the powers of the Stock Exchange Committee by a rather unusual incident. On Monday last it issued a statement that it will not grant permission to deal in the shares of any totalisator company "unless the prospectus, offer for sale, or advertisement in the Press required to meet Stock Exchange regulations states that the machine with which the company is concerned has been adopted by the Racecourse Betting Control Board." The occasion arose out of a prospectus advertised in the Press by Totalisators, Limited, which is discussed in another column. The Stock Exchange Committee did not refer specifically to Totalisators, Limited. It issued a general warning.

This incident is, as we have said, unusual, for the Stock Exchange Committee does not, and obviously should not, set itself up as a judge of what is or is not a wise investment. Its duty to the public is rather to protect investors as far as possible from deception; to admit stocks only if there is a reasonable chance of a market being formed; to ensure a certain measure of publicity so that those who speculate do so with their eyes open; and to maintain certain standards and traditions in financial relations and in dealings. The circumstances in this case are, however, unusual. Parliament has just authorised the use of the "Tote" in this country, and the machine to be used will have to be approved by the Control Board. A prospectus scattered all over the country would undoubtedly have led many to assume that this machine was sure of a market in virtue of Parliament's decision, and it would not have been appreciated that the British patents would have been of little value if this machine does not secure official approval. The Committee therefore appears to have acted wisely. It has expressed no opinion on the merits of the machine or of the company; it has merely protected the public from being led unwittingly into a gamble on a decision not yet taken. The case illustrates the importance of the discretionary power of the Committee.

Normally, however, the Committee does not exercise its powers to withhold leave to deal unless the borrower concerned has broken the requirements of the law or the Stock Exchange regulations. Let us be clear what obligations the law and the Stock Exchange impose upon borrowers. Money can be raised by (1) an offer of securities by a company direct through its own prospectus to the public or through its own circular to shareholders; (2) a public offer of a company's securities by a third party through what is called a "sale prospectus"; (3) placing a company's securities privately and then "introducing" them on the Stock Exchange. There is a common belief that it is easier to defraud or gull the public in the case of securities which have been "introduced" on the Stock Exchange than in the case of securities offered publicly for sale. But this is not altogether correct. The material particulars required to be published in a company prospectus or sale prospectus have now to be published also in the case of an "introduction." The rule laid down by the Stock Exchange Committee some few years ago is that before leave to deal is granted in shares "introduced" an advertisement must be inserted in two leading London morning papers "giving all material conditions relating to the formation of the company and the flotation of the issue, and stating that the directors collectively and individually are responsible for the information advertised."

As an explanation of the material conditions which are required the Committee has instanced the following:—
1. The rights conferred by the different classes of shares, including voting rights. 2. The amount of shares and debentures or debenture stock that have been issued, the dates and prices at which they have been issued, and the amounts of any underwriting or other commissions that

have been paid in connection therewith. 3. The names and addresses of the vendors of any property purchased or acquired by the company or proposed so to be purchased or acquired, and the amount payable in cash, shares, or debentures to the vendor, and where there is more than one separate vendor or the company is a sub-purchaser, the amount so payable to each vendor. 4. The amount or estimated amount of the preliminary expenses. 5. Full particulars of the value and extent of the interest of every director in the promotion of or the property proposed to be acquired by the company, or in any profit made by any vendor or promoter, with a statement of the amount paid or agreed to be made to any director or to his firm or any company in which he is interested, either to qualify him or to induce him to become a director or otherwise for services rendered by him. 6. The names and parties to every material contract and the place where they can be inspected. 7. Whether any shares are under option, and, if so, at what prices and when such options expire. 8. Particulars as to qualification and remuneration of directors.

It will be seen that before an "introduction" is authorised the Stock Exchange Committee has for some years required statements to be published in the Press as to the dividend, capital, and voting rights of all the different classes of shares, although this particular information was not legally required in company prospectuses or sale prospectuses before the new Companies Act, 1928. We have no doubt but that the additional information now required by the Companies Act, 1928, to be given in a company prospectus or sale prospectus, namely, the profits for each of the three preceding years of the company or of any business which is to be acquired and the dividends paid on each class of shares for each of the three preceding years, will also be required in future by the Stock Exchange Committee. In fact, judged on the point of affording full information to the public, there is practically nothing to choose between a company prospectus or sale prospectus and the particulars required by the Stock Exchange Committee to be advertised in the Press "for information only" by any company whose shares are to be "introduced." Moreover, by insisting on a statement that the directors are collectively and individually responsible for the information advertised, the Stock Exchange Committee has gone as far as it could to protect the investing public.

It is, of course, true that a prospectus which is advertised in every leading paper of the country receives much more publicity than an "introduction" which is advertised "for information only" in two leading London morning papers. But that is an argument which is a double-edge. If there were nothing to choose between one gamble offered in a prospectus and another offered in particulars advertised "for information only," the public is much more likely to fall for the former by reason of the greater publicity which it receives. It is not sufficiently realised that the greater prominence now given in the daily Press to financial news, the hints to investors which are now featured in practically all the leading newspapers, not to mention the share-tipping which is indulged in by some of the less responsible financial writers, have contrived to put an immense power into the hands of the company promoters. The public is being educated to invest its savings in speculative securities. It is already dangerously easy for the company promoter to place a speculative issue by means of an ingeniously worded prospectus appearing in newspapers with a circulation of several millions. The company which is advertising for "information only," in order to have its shares introduced on the Stock Exchange, can, of course, advertise in as many newspapers as the company which is making a public offer of shares, but it generally chooses to save its expenses by complying with the letter of the Stock Exchange rules.

The only serious criticism which can be directed against "introductions" as opposed to prospectuses arises out of the fact that "insiders" are enabled to take large profits on the shares or securities "introduced" before the public has a chance to buy—in other words, that the public is not admitted to the "ground floor," as it is in the case of a company prospectus. The "introduction" of certain Swedish industrial shares has been put forward as an example. The following table shows the prices at which the banking or finance houses acquired blocks of shares in three important Swedish industrial companies—S.K.F., Elektrolux, and Separator, the prices at which they were placed privately, and the prices at which dealings commenced in the market:—

	Price at which B'k Acquired Block of Shares.	Price at which Privately Placed.	Price at which Dealings Started on Stock Exchange.	Present Price.
Swedish Ball Bearing (S.K.F.)	£ 5 13 3	£ 7 17 6	£ 10 0 0	£ 12 0 0
Elektrolux	5 13 3	6 12 6	7 15 0	7 12 6
Separator	8 5 4	9 0 9	9 10 0	9 0 0

The banking houses which originally acquired the block of shares from the company paid all preliminary expenses, and probably took no more than a reasonable banking commission. The difference between the price at which the shares were privately placed among brokers, trust companies, insurance companies, and private individuals, and the price at which public dealings started, requires more explanation. The difference exists because the demand of the "insiders" was not satisfied, and because the outside demand was enormous. It is no doubt urged that the "insiders" have guaranteed the making of a market, have taken a risk which is equivalent to the risk of underwriting, and have enabled the company to raise capital on future occasions more cheaply by reason of the good credit it enjoys on the Stock Exchange. For these financial services they are certainly entitled to a fair profit. But there is no doubt that money has been earned by the "insiders" too easily with some "introductions." The price of a share is, of course, determined by demand and supply, but we think that banking houses and members of the Stock Exchange should be responsible for seeing that the "insiders" are not too greedy in their demand for shares, so that the price at which dealings commence in the market is not greatly in excess of the price at which the shares were placed. The system of "introductions," in any case, is an essential part of the machinery of company finance. It meets the needs of a number of companies, particularly foreign companies; it increases the usefulness of the Stock Exchange, and it helps to make the City of London the centre of the world's financial dealings. Up to August 11th this year we find that the number of "introductions" has come to 148, as against 226 prospectuses (excluding 153 offers by companies direct to their own shareholders).

We conclude that both the Government and the Stock Exchange have done their duty to the investing public by requiring the fullest particulars to be disclosed in the Press when a company makes a public offer of shares or applies for leave to deal on the Stock Exchange. They can hardly do more.

THE WEEK IN THE MARKETS.

SETTLING DAYS.

TICKET.	ACCOUNT.
August 28.	August 30.

The new account on the Stock Exchange opened very quietly. Business was, if anything, more restricted than in the previous week, but the tone was quite firm. The financial Press reports even a "cheerful undertone," but that is a vague phrase which only means that there was no general disposition to sell. The main feature was the activity in the oil share market.

The gilt-edged market was easier, money being tight. On Thursday the Treasury called for tenders for £35,000,000 5 per cent. Treasury Bonds 1933-1935 at a minimum price of 101. These bonds will be designated 5 per cent. Treasury Bonds B until January 2, 1929, when

they will be amalgamated with the December, 1927, issue, having the same rights of conversion into 4 per cent. Consols. A first interest payment of £2 2s. will be made on February 1, 1929. The existing 5 per cent. Treasury Bonds 1933-35 were marked lower on this news. There was some discussion in the market of the amount outstanding of the National War Bonds, which are due to be repaid on September 1st. In the Foreign bond market stocks were firm, and there was a good recovery in Chinese bonds on the belief that political conditions were improving.

The home railway market was easier. Traffic returns showed considerable declines, and sellers predominated in the market. On Thursday several stocks were marked ex dividend, the reduction in Great Western being 1½, in L.M.S. 1½, and in Southern deferred 2. The foreign railway market was quiet, but fairly steady. International Railway of Central America both common and preferred were sold, the common falling from 49 to 47½.

The industrial share market was somewhat irregular, although an improvement was noticeable in the middle of the week. Textile shares were patchy. British Celanese fell, but subsequently rallied, and American Celanese were at first easier on the cut in celanese silk prices in America. Branston met with profit-taking. The gramophone market opened weaker on selling from New York, but later on showed a tendency to rally. Vocalion issues continued to be in demand, but the buying was largely of a professional character, and on Thursday a minor "bear raid" followed. Vocalion last year paid dividends of 40 per cent., and the market seems to be anticipating that these dividends will be at least doubled this year. Newspaper and tobacco shares were firm except Carreras, which reacted after their recent rise. In the miscellaneous section there was a good demand for Imperial Chemicals, the ordinary rising over 39s and the deferred to 15s 3d, a rise respectively of 10½d and 1s. Dunlops met with some profit-taking. International Holdings were maintained at 12, but Hydro Electrics fell to 27½ and recovered to 29. British International Pictures rose from 11s to 11s 9d on the deal which is reported in another column. Hudsons Bays met with investment support, and rose to 5½.

There was lack of interest in the Marconi and cable groups, Eastern Cable falling from 245 to 241½. The electric light and power market was fairly strong. A feature was the rise in Urban Electric Supply, a sudden demand finding the market short of shares. The insurance share market was irregular. There was a continued enquiry for nitrate shares on the improved outlook which is discussed in another note. New Tamarugals rose to 28s, and British and South Pacific Trading to 30s.

The only market on the Stock Exchange this week which met with persistent support was that in oil shares. The more cheerful view which is taken of the oil situation is mentioned in another note. All the leading shares advanced with the exception of V.O.C., which were slightly easier at 27-32. Buying of V.O.C. is held back by the uncertainty as to arbitration, which is to decide the selling price of the company's output last year. Mexican Eagles improved from 13s 9d to 15s 3d, and Canadian Eagle from 15s to 15s 9d. The market seems to be favouring Mexican Eagle as offering the better speculation. It should be borne in mind that the conversion rights from Mexican into Canadian are on the basis of three Mexican for two Canadian, so that either the new Mexican are over-valued, or the new Canadian under-valued. Unless further discoveries of oil are made in Mexico this year it would seem more likely that the new Mexican Eagle were over-valued. On Thursday the market closed easier.

The rubber share market made a recovery, although business was extremely small. Buyers seem to be more confident that rubber prices will not collapse when restriction is removed in ten weeks' time. The market is short of shares, and it would be a pity if dealers advanced quotations too rapidly on the first signs of buying. Anglo-Dutch were marked ex div. of 1s 6d, and were higher at 35s ex div. Tea shares were fairly steady.

South African mining shares showed some improvement. Chartered rose from 29s 10½d to 31s 3d, and De Beers from 13½ to 13½. Rhodesian and General Asbestos were sold on the report. Among the new issues dealings started in American Dominion Unbreakable Records 5s paid at 4s 6d discount. British Celanese new preference were quoted at 1s 4½d discount.

INVESTMENT NOTES.

The Rise in Oil Shares.—The continued buying of the leading oil shares has been a feature of the Stock Exchange this week. The rise began at the beginning of the three weeks' account, and the following table shows the level to which prices had risen by Thursday of this week:—

	July 23.	Aug. 10.	Aug. 16.
Anglo-Persian	3½	3½	3½
Anglo-American	3½	3½	3½
Burmah Oil	4½	4½	4½
Shell	5	5½	5½
Royal Dutch	33½	34½	36

The support of the oil share market has lately been of a professional nature, and at that somewhat American, but the buying this week seems to suggest that the oil interests are taking a more favourable view of the American oil situation. The production of crude oil in America is below the level of last year on account of the restriction imposed on production in various fields. The consumption of petrol has at the same time been increasing, with the result that gasoline prices in America have risen steadily since January. From a low level of 5½ cents per U.S. gallon the price of 58-60 deg. gasoline in bulk at refineries had risen to 9 cents at the beginning of this month. This has had the effect of causing an advance in the prices of light crude oil from which gasoline is chiefly derived. The total stocks of oil in America declined in June for the first time since September, 1926. The oil situation is complicated by the fact that while the price of gasoline is rising, that of fuel oil is falling, stocks of fuel oil showing a considerable increase. This explains why restriction is still being imposed. Gasoline is only one product, although the most important product, of crude oil, and a market has to be found for the balance. The lack of an increasing demand for fuel oil on account of the competition of coal and the depression in industry is therefore keeping the crude oil restriction policy in force, in spite of an advance in crude oil prices. The rise in American gasoline prices must, of course, have the effect of sending up the price of petrol in this country. The price of British petrol was reduced at the end of March by 1d per gallon, and the advance of 4½d made in April this year was simply to meet the petrol duty of 4d and the cost of collection. It is generally assumed in the oil share market that the price of petrol will therefore be advanced before the end of this month to meet the higher cost of the commodity in America. This would no doubt bring the public into the oil share market. Apart from speculative buying, there has no doubt been a considerable investment demand for Shell and Royal Dutch on account of the high yields obtainable. These shares are still cum bonus of one new share for every five to be issued in January next, and at the present market prices return gross yields of £6 11s and £6 8s per cent. respectively.

Chilean Nitrate Developments.—Following upon the Chilean Government's decision last June to indemnify producers against any loss arising from a reduction during the current year in their prices necessitated by corresponding reductions in the price of the "synthetic" product comes the news that the Committee of the Nitrate Producers' Association has recommended a scheme for the centralisation of sales. No details have yet been published, but it is clear that such a scheme is the corollary of the Government's decision to support the industry; for the first condition of any Government compensation for price reductions must be that the industry itself should forswear internal competition. Even though it is reported that the Guggenheim interests are standing out of the scheme, possibly because of their new and only partially tested methods of exploitation, this new step should be of considerable benefit to the industry, if only because it brings into line the producing and distributing sides of the trade, who hitherto have not always seen eye to eye with each other. It remains to be seen what effect this move will have upon nitrate shares. From one point of view the fact that compensation will be paid by the Government out of the proceeds of the export duty upon nitrates is rather suggestive of feeding the dog off its own

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.					Foreign Government Securities.				
	Price Last Week.	Price This Week.	Rise or Fall.		Price Last Week.	Price This Week.	Rise or Fall.		
Conv. Loan 3½%	77½	77½	—	Treasury 5% (B)	101½	101½	—		
Do 4½% 1914	91½	91½	—	Palestine 5% 1942-67	104½	104½	—		
War Loan 5% 1922-47	102½	102½	—	S. Africa 5% 1945-75	103	103	—		
Do 4% (tax free)	101½	101½	—	Canada 3½% 1930-50	82	85	+ 3		
1929-42	101½	101½	—	India 3½%	71½	71½	—		
Consols 2½%	55½	55½	—	Australia 5% 1945-75	94	99	+ 5		
Do 4%	86½	86½	—	N.S. Wales 5½% 1922-32	101	101	—		
Funding 4%	83½	83½	—	N. Zealand 5% 1946	103	104	+ 1		
Victory Bonds 4%	95	95½	+ ½	Victoria 5½ 1930-40	101	101	—		
War Bonds 5% 1929	105	105	—	Nigeria 6% 1949-73	113	113	—		
Local Loans 3%	65	65	—						
British and Foreign Railways.					Banks.				
G. Western Ord. Stk.	85½	83½	- 2	Antofagasta Ord. Stk.	89	89½	+ ½		
L.N.E. Def. Stk.	124	122	- 2	B.A. & C. Ord. Stk.	90	91½	+ 1½		
Do 5% Pref. Stk.	264	27	+ 1	B.A. & C. Ord. Stk.	103	102½	- ½		
L.M.S. Ord. Stk.	56½	54½	- 2	B.A. Western Ord. Stk.	89½	89	- ½		
Metropolitan Cons. Stk.	67½	66½	- 1	Can. Pacific Com. Stk.	210½	212	+ 1½		
Met. District Ord. Stk.	76½	77½	+ 1	C. Argentine Ord. Stk.	94	93½	- ½		
Southern, Def. Stk.	35	32½	- 2½	Entre Rios Ord. Stk.	84	83½	- ½		
Do Pref. Ord. Stk.	74½	72½	- 2	Leopoldina Ord. Stk.	62½	62	- ½		
Underground Ord. £1	1½	1½	—	Mexican Ry. Ord. Stk.	7	7	—		
Do Income Bonds	124	129	+ 5	Utd. Havana Ord. Stk.	51	51	—		
Insurance.					Coal, Iron and Steel.				
Alliance £1, fully paid	23½	23½	—	N. British and Mer. £5,	40	39½	- ½		
Com. Un. £2½, fully pd.	30½	30½	—	with £12 paid	7	7½	+ ½		
London & Lancs. £5,	33½	33½	—	Royal Ex. £1, fully pd.	9½	9½	—		
with £1 paid				Roy. In. £1, with 10/ pd.					
Textiles.					Electric Manufacturing.				
Habcock, Wilcox (£1)	3½	3½	—	Cortaulds (£1)	4½	4½	—		
Baldwin (£1)	1½	1½	—	Fine Coat. Spinn. (£1)	23½	23½	—		
Bengal Iron (£1)	1½	1½	—	Listers (£1)	17½	17½	—		
Bolckow Vaugh n (£1)	1½	1½	—	Sisa Viscosa (200 lire)	13½	13½	—		
Dorman, Long (£1)	1½	1½	—						
Telegraphs and Cables.					Motors.				
Eastern Stk.	245	241½	- 3½	Marconi (10/)	37½	37½	—		
Eastern Ext. (£10)	24½	24	- ½	Marconi Marine (£1)	23½	24½	+ 1		
Western (£10)	24½	24½	—	U. River Plate (£5) ..	9½	9½	—		
Shipping.					Miscellaneous.				
Cunard (£1)	13½	13½	—	P. & O. Defd. Stock	735	735	—		
Furness Withy (£1)	13½	13½	—	Royal Mail Ord. Stock	73	73	—		
Miscellaneous.					Mines.				
Assoc. P. Cement (£1)	1½	1½	—	Imp. Chem. Def. (10/)	11	11	—		
Barker (John) (£1) ..	3½	3½	—	Imp. C. Gas Stock	169½	172½	+ 3		
Braz. Traction, no par	5½	5½	—	Imp. Imperial Tobacco (£1)	5½	5½	—		
Brit. Am. Tobacco (£1)	6½	6½	—	Kreuger & Toll (kr.00)	32½	31½	- 1		
British Match (£1) ..	1½	1½	—	Lyons (J) (£1)	5½	5½	—		
Carreras, "A" Ord. (£1)	18	17½	- ½	Mandré & Garton (£1)	2½	2½	—		
Columbia Graph. (10/)	14½	14½	—	Monr Nickel (10/)	3½	3½	—		
Dunlop (6 s)	1½	1½	—	Primitive Gas (£1) ..	17½	17½	—		
Duophone (10/)	2½	2½	—	Salt Union (£1)	2½	2½	—		
Forestal Land (£1) ..	1½	1½	—	Swed. Match. B (kr100)	23	23½	+ ½		
Gas Light & Coke (£1)	1½	1½	—	Victor Talking, no par	96½	93	- 3½		
Gramophone Co. (£1)	12½	12½	—	Vocalion (10/)	33	34	+ 1		
Harrods (£1)	3½	3½	—	Wallpaper, Def. (£1)	11½	11½	—		
Hudson's Bay (£1) ..	5½	5½	—	Watney Combe & Df. Stk	319½	315½	- 4		
Imp. Chemical (£1) ..	1½	1½	—	Wm. Cory (£1)	2½	2½	—		
Tea and Rubber.					Oils.				
Anglo-Dutch (£1)	12	12½	+ ½	London Asiatic (2/-)	17½	17½	—		
Cons. Tea & Lnds (£10)	38½	38½	—	Rubber Trust (£1) ..	17½	17½	—		
Oils.					Mines.				
Anglo-Persian (£1) ..	3½	3½	—	Mexican Eagle (£1/0 6)	3½	3½	—		
Apex (Trinidad) (5/-)	1½	1½	—	Royal Dutch (£2½)	34½	36½	+ 2		
Burmah Oil (£1)	4½	4½	—	Shell (£1)	5½	5½	—		
Lobitos (£1)	2½	2½	—	Trinidad Leshlds. (£1)	3½	4	+ ½		
Mines.					Mines.				
Anglo-Amer. of S.A. (£1)	12½	12½	—	Lake View & Star (4/)	3	3	—		
De Beers Del. (£24)	13	13	—	London Tin (£1)	37½	38	+ ½		
Drakpan (£1)	4	4½	+ ½	Rio Tinto (5/)	48½	48½	—		
"Chartered" 15/ 1p	13½	13½	—	Russo Asiatic (2/6)	3	3	—		
Burma Corp. (Rs. 10/-)	1½	1½	—	Siamese Tin (5/)	17½	17½	—		
Central Provinces (£1)	5½	5½	—	Sub-Nigel (10/)	23½	23½	—		
Geduld (£1)	5½	5½	—	Tanganyika (£1)	24½	24½	—		
Johan. Cons. (£1)	2½	2½	—	Union Corp. (12/6 fu-pd)	47½	47½	—		

tail. Still, as the nitrate duty is to remain in force anyhow, the proposal would be more properly regarded as one tantamount to a reduction in the duty, and so no qualms need be felt upon this point. The weak spot, probably, is the slender nature of the producers' present resources. This suggests that though the move is in the right direction, it may take some time for the resulting benefits to be reflected in profits and dividends.

British International Pictures, Limited.—It is announced this week that Mr John Maxwell, the chairman of the British International Pictures, Limited, has bought the controlling interest in First National-Pathé. British International Pictures is not one of the film "boom" flotations. It was established before the Films Quota Act was introduced, and has taken the lead in the production of British films. Its studios at Elstree are the largest individual studios in Europe, and when the present extensions are completed will be as large as any individual studio in Hollywood. The company has a capital of £750,000, consisting of £250,000 8 per cent. preference shares and £500,000 ordinary shares of 5s. The acquisition of the controlling interest in First National-Pathé needs some explanation. First National Pictures, Incorporated, which is one of the "big three" picture corporations in America, and is now controlled by the Stanley Corporation, agreed this year to merge its distributing organisation in Great Britain, called First National Pictures, Limited, with Pathé, a distribution organisation controlled by the Standard Film Company. The importance of this move was that the Standard Film Company, together with the Film Investment Company, controlled Provincial Cinematograph Theatres, which is the second largest cinema theatre-owning company in this country. Lord Beaverbrook and Lord Ashfield were associated in the control of the Standard Film Company. First National Pictures, Limited, and Pathé were thereupon merged into a new company, called First National-Pathé, and 51 per cent. control was held by the Standard Film Company and the Film Investment Company, leaving 49 per cent. to the First National-Stanley group, which was joined later by the Allied Artists Corporation. Mr John Maxwell, chairman of British International Pictures, has apparently purchased the 51 per cent. control of the First National-Pathé, held by the Standard Film Company. This means that Lord Beaverbrook and the P.C.T. have given up renting or distributing organisation, and are concentrating on the theatre-owning side of the business. Mr Will Evans, who is chairman of the P.C.T., resigns from the board of First National-Pathé, and devotes himself to the expansion of the P.C.T. theatre interests. British International Pictures may become the company which will produce British quota pictures for the First National-Stanley and perhaps Allied Artists organisations in America. If British International Pictures can now obtain a reciprocal agreement for the exhibition of their British pictures in the United States through the First National-Stanley organisation it will be still more important for the British film industry.

Tanganyika Goldfields.—Our mining correspondent writes:—This is a company with numerous strings to its bow, chiefly in connection with tin mining. Interests are held in the Kagera, Ankole, and Bukoba companies

operating in Uganda, also a 60 per cent. interest in a concession granted by the Belgian Government to peg out ground in adjoining territory and a 20 per cent. interest in a syndicate operating in Indo-China. Announcements in regard to the exploitation of the latter are expected to be made shortly. The report for the 18 months ended December 31st last shows a net profit of £16,300, the bulk of which is announced to have been made in the last six months. Approximately one-half of the amount is written off, the balance being carried forward. It is stated that the realised net profit for the first half of the current year is nearly double that of the previous 18 months. But for this it would be difficult to see justification for the quotation of the 5s shares at nearly 100 per cent. premium. Since the date of the accounts the capital has been increased by nearly £100,000 to £250,000 through the issue of shares for cash or as purchase consideration for additional interests. "Tank Goldfields" must, of course, be classed as a speculation, but under favourable market conditions would be realisable to better advantage than just now.

Totalisators, Limited.—Apart from the Treasury Bond issue, of which particulars will be found below, there was only one issue this week, and that ended in smoke and not a little heat. Totalisators, Limited, invited on Monday public subscriptions for 400,000 10 per cent., tax free (up to 6s in the £), participating preferred shares of 10s each at par. According to the prospectus the company has contracted to purchase from Automatic Totalisators, Limited, of Sydney, Australia, the British and Irish rights of the Premier Totalisator Machine, which has been in use for some years in Australia and New Zealand, has recently been installed at Longchamps, and is also in use in India. The machine is said to be capable of registering 250,000 bets per minute, and at any moment shows the amount invested on each horse and the total amount invested for the race. The directors were perfectly frank in the prospectus about the company's position. "It is, of course, impossible," they say, "to state which particular type of machine will be adopted by the (Racecourse Betting) Control Board," but they are of opinion that their machine "is pre-eminent," and, of course, suggest that it will be the one chosen. As regards profits, the directors could say nothing. To quote from the prospectus: "Profits will be derived from the manufacture and/or erection and/or operation of the machines on racecourses. It is impossible to give any figures in regard to the probable money which will pass through the machines when installed.....Further, until the Control Board approves of the machine and contracts, no estimate can be made of the proportion of the deduction which will be paid to the company." If any investor was foolish enough to subscribe to this issue after the frank statements of the directors he would only have himself to blame. The Committee of the Stock Exchange, however, issued the following warning on Monday evening:—"The Committee of the Stock Exchange will not grant permission to deal in applications made to them in respect of any Totalisator flotation unless the prospectus, offer for sale, or advertisement in the Press to meet the Stock Exchange requirements states that the machine with which the company is concerned has been adopted by the Racecourse Betting Control Board." Subscribers could therefore have withdrawn their applications on Tuesday morning, but on Tuesday evening the lists were closed. The directors decided, however, to postpone allotment, protesting at the same time against the time and manner of the announcement made by the Committee of the Stock Exchange. A copy of the final prospectus, they alleged, was lodged with the Committee on the preceding Friday, and no intimation of any objection was made until the expense of advertising had been incurred. The directors added that if the purchase of the Premier Totalisator Machine had been made conditional upon the licence of the Betting Control Board first being obtained, the terms upon which it could have been purchased would have been far less favourable to the company than the contract it has entered into, which provides for the payment of £100,000 in cash and a royalty at the rate of $\frac{1}{2}$ of 1 per cent. of the total amount of money passing through the machine, with

a minimum royalty of £2,000 per annum. Meanwhile, a meeting of the underwriters has been called to consider the unfortunate position in which the company finds itself.

NEW ISSUES OF THE WEEK.

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
Amount previously recorded, 281,630,013.				
ISSUES OF THE WEEK.				
NATIONAL SAVINGS CERTIFICATES.				
Net Sales, week ended August 11, 1928, Dr £350,000.				
Total Receipts April 1, 1928, to August 11, 1928, Dr £1,300,000.				
To the public—				
Totalisators, Limited, 400,000 10% Tax Free Ptg. Pref. Shares of 10s each, at par (Aug. 13).....	200,000	200,000	20,000	180,000
Total offered to the public.....	200,000	200,000	20,000	180,000
To Shareholders only—				
Sunset Best 160,000 Shares of 5s each, at 10s per share.....	40,000	80,000	16,000	64,000
Apex (Trinidad) Oilfields, 80,000 Shares of 5s each, at 25s per share.....	20,000	100,000	100,000	..
Total offered to shareholders.....	60,000	180,000	116,000	64,000
Total offered for subscription to date in—				
1928.....	281,630,013	1927.....	355,165,970	
1927.....	237,285,790	1926.....	230,782,801	
1926.....	140,860,269	1925.....	232,214,500	
1925.....	127,631,142	1924.....	239,325,100	
1924.....	131,924,951	1923.....	271,335,173	
1923.....	202,065,317	1922.....	573,675,650	

Five per Cent. Treasury Bonds, 1933-35.—On Thursday the Treasury announced an issue of £35,000,000 in five per cent. Treasury Bonds by tender at a minimum price of £101 per cent. These bonds will be repaid at par on February 1, 1935, but the Government reserve the right to redeem at par on or after February 1, 1933, on giving three months' notice. Interest will be paid half-yearly on February 1st and August 1st, a first payment of £2 2s per cent. being made on February 1, 1929. Until January 2, 1929, these bonds will be designated 5 per cent. Treasury Bonds "B," but on that date they will be amalgamated with the similar issue made last December. During the period January 16th to January 31st, 1929, holders of these bonds may, therefore, convert their holdings into 4 per cent. Consolidated Loan at the rate of £114 10s of Consolidated Loan for each £100 nominal of 5 per cent. Treasury Bonds. Interest on the bonds so converted will cease on February 1, 1929, and six months' interest on the 4 per cent. Consolidated Loan will be paid on August 1, 1929. Tenders for these bonds must be in sums of £10,000 or multiples thereof, and must be delivered to the Bank of England before midday Thursday, August 23rd. A 5 per cent. cash deposit must be paid at the time of delivery of the tender, and in the case of accepted tenders, the balance due must be paid on September 1st, though postponement until September 7th is allowed on payment of a week's interest at 5 per cent.

TRANSVAAL GOLD OUTPUT STATISTICS.

Name of Mine.	June, 1928.			July, 1928.		
	Ore.	Est. Yield.	Est. Profit.	Ore.	Est. Yield.	Est. Profit.
Brakpan.....	85,500	134,792	51,066	87,000	137,391	53,015
City Deep.....	78,000	101,855	15,823*	91,000	111,081	10,922*
Consolidated Main Reef.....	61,000	98,628	21,243	61,500	99,017	20,348
Crown Mines (10s shares).....	223,000	310,930	84,518	236,000	312,775	85,195
Durban Roadport Deep.....	38,100	54,879	800	42,000	54,767	850
East Rand Proprietary.....	141,500	152,584	5,329	142,000	157,412	6,108
Ferreira Deep.....	33,700	29,603	4,106	31,400	29,939	6,082
Geduld Proprietary.....	80,000	107,946	40,603	82,000	109,637	40,944
Goldenbult Deep.....	66,000	60,302	528	60,562	567	
Glynn's Lydenburg.....	6,500	8,593	301	6,600	8,233	645
Government Areas.....	200,000	385,022	227,198	198,000	383,823	227,140
Kleinfontein, New.....	51,400	50,279	788	51,500	50,118	801
Langlaagte Estate.....	82,000	108,134	25,039	82,000	109,300	25,078
Meyer and Charlton.....	16,800	18,710	1,586	17,200	19,171	1,514
Modderfontein B.....	69,000	110,500	47,499	71,000	117,813	50,123
Modderfontein Deep Levels.....	44,200	99,552	64,327	44,200	99,601	64,373
Modderfontein East.....	60,000	79,504	17,188	62,000	83,027	18,603
Modderfontein, New (44 shs.).....	136,300	324,479	191,340	141,300	330,643	197,016
New State Areas.....	76,000	135,372	53,013	75,000	135,524	58,069
Nourse Mines.....	60,500	76,932	6,049	64,000	76,446	6,871
Prinsburg, New.....	8,000	9,149	1,164*	8,000	9,149	1,164*
Randfontein Estates.....	211,200	201,487	23,048	207,000	201,992	24,180
Robinson Deep.....	76,800	91,435	15,203	77,300	90,492	14,807
Rose Deep.....	54,000	49,495	2,174	55,000	49,440	2,191
Simmer and Jack.....	74,400	74,653	3,509	75,000	73,322	2,076
Spring Mines.....	69,000	142,614	70,128	68,300	141,724	69,998
Sub-Nigel.....	22,800	91,282	43,057	25,000	94,761	47,107
Transvaal Gold Mining Estates.....	16,726	24,157	3,900	16,726	24,157	3,900
Van Ryn.....	39,500	40,741	14,304	39,300	40,769	5,817
Van Ryn Deep.....	64,000	105,210	46,072	60,000	105,343	45,063
Village Deep.....	54,000	62,945	2,014	56,000	64,740	3,071
West Rand Consolidated.....	50,800	54,853	5,459	50,800	54,853	5,459
West Springs.....	52,200	73,325	21,250	52,000	72,801	19,828
Witwatersrand Deep.....	44,100	44,377	1,502	44,500	43,718	423
Witwatersrand (Knight's).....	53,000	47,154	2,460	54,000	47,609	2,503
Wolfontein.....	29,700	28,881	247	30,600	27,874	461

* Loss

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Aug. 10, 1928.	Miles Open.	Week ended Aug. 12, 1928.					Aggregate 32 Weeks, 1928.				
		(000's omitted.)					(000's omitted.)				
(c) Week ended Aug. 11, 1928.		Passen.	Merch.	Coal and Coke.	Total Goods.	Total for Week.	Passen.	Merch.	Coal and Coke.	Total Goods.	Total Receipts.
Great Western ..	3,779	420	156	58	214	634	8,033	6,938	3,581	10,519	18,552
Do for 1927 ..	3,779	353	218	124	342	697	8,222	7,308	4,076	11,384	19,606
Lon.&N.-Eastn(e) ..	6,408	578	372	204	576	1,254	12,071	13,346	7,677	21,023	35,094
Do for 1927 ..	6,406	530	409	253	662	1,192	12,599	14,209	8,197	22,405	35,005
Lon.&Mid.&Scot. ..	6,950	873	443	159	602	1,475	18,488	18,213	7,979	26,192	44,680
Do for 1927 ..	6,952	788	581	271	852	1,640	18,923	19,568	9,145	28,713	47,636
Southern ..	2,177	495	59	16	75	570	10,533	2,520	863	3,383	13,916
Do for 1927 ..	2,177	456	82	29	111	567	10,670	2,757	1,055	3,812	14,482
Metropolitan (e) ..	59	32-3	..	..	..	2-9	35-2	1,022-6	..	119-5	1,142-1
Do for 1927 ..	59	30-5	..	..	..	3-7	39-2	974-7	..	122-2	1,096-9
†Und'gr'dn'd.R. & C. ..	..	..	..	..	..	..	..	..	..	..	8,182-8
†Do for 1927 ..	..	..	..	..	..	..	..	..	..	..	1,345-5
Lon.&Sub.Grup ..	..	..	..	..	..	..	..	..	..	..	1,235-9
Do for 1927 ..	..	..	..	..	..	..	..	..	..	..	1,173-3
B'lf'et&Co.D'wn b ..	80	4-4	..	..	..	0-8	89-3	..	..	28-0	117-3
Great Northern b ..	562	22-0	..	..	..	11-8	33-8	427-7	..	514-6	942-3
Great Southern b ..	2,187	51-6	..	..	..	43-6	95-2	1,006-5	..	1,497-5	2,504-0

† Includes receipts from independent omnibuses acquired during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Endings.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1928. + or -	1928. + or -
INDIAN.					
Assam Bengal	15 weeks	July 7	1,111	Rs. 4,12,000 + 24,815	Rs. 61,47,639 + 2,22,781
Barelly R.	16 weeks	21	118	28,500 + 8,900	8,38,200 + 2,42,900
Bengal & N. Western ..	16 weeks	21	2,079	5,95,104 + 26,272	1,17,39,867 + 5,46,538
Bengal-Nagpur	14 weeks	7	2,949	14,26,000 - 2,91,279	2,40,40,326 - 1,91,157
Bombay, B. & C.I. ..	17 weeks	Aug. 4	3,022	15,40,000 + 18,000	2,40,40,000 + 33,21,000
Burma	16 weeks	July 14	1,349	6,61,495 + 16,014	1,25,30,055 + 4,14,477
Madras & S. Mahr ..	16 weeks	21	3,072	15,05,000 + 88,731	3,08,99,785 + 36,39,897
Nizam's Guaranteed ..	16 weeks	21	1,018	2,98,101 + 17,421	65,10,387 + 8,02,785
†Rohilk'd & Kumaon ..	16 weeks	21	561	1,02,134 - 3,685	22,89,161 - 1,42,250
South Indian	15 weeks	14	2,083	12,34,512 + 97,499	1,91,39,279 + 10,56,069

† Including Lucknow-Bareilly State Railway. (s) Total receipts of all lines.

ARGENTINE (a).					
Argentine N.H.	6 weeks	Aug. 11	753	£ 14,900 + 1,500	£ 88,900 - 200
B.A. and Pacific	6 weeks	11	2,694	155,000 + 16,000	954,000 + 84,000
B.A. & N. Western ..	6 weeks	11	1,279	13,750 + 823	86,118 + 5,531
B.A. G. Southern ..	6 weeks	11	4,720	191,000 + 34,000	1,258,000 - 234,000
B.A. Western ..	6 weeks	11	1,926	30,000 + 3,000	530,000 - 75,000
Central Argentine ..	6 weeks	11	3,305	250,000 + 3,000	1,503,000 - 17,000
Cordoba Central	6 weeks	11	1,218	77,000 + 3,000	440,000 - 37,000
Entre Rios	6 weeks	11	728	24,500 + 3,700	151,300 + 19,700

CUBAN.					
United of Havana ..	6 weeks	Aug. 11	1,359	50,194 + 144	294,455 - 29,831

† Figures include Havana Central Railway.

URUGUAYAN.					
Central Uruguay ..	6 weeks	Aug. 11	273	24,203 + 2,238	153,481 + 4,206
C. Urug. (East. Ext.) ..	6 weeks	11	511	4,524 - 104	30,128 - 1,517
C. Urug. (North. Ext.) ..	6 weeks	11	185	3,010 + 630	20,045 + 2,175
C. Urug. (West. Ext.) ..	6 weeks	11	811	2,075 - 20	12,918 + 105

CANADIAN.						
Canadian National ..	30 weeks	July 31	19,142	\$ 8,035,163 +	\$ 1,176,381	\$ 146,595,331 + 11,683,325
Canadian Pacific ..	31 weeks	Aug. 7	14,670	4,118,000 +	528,000	119,213,000 + 10,812,000
BRAZILIAN (b).						
St. West. of Brasil ..	32 weeks	Aug. 11	1,016	\$ 10,100 +	\$ 2,000	403,200 + 15,800
Leopoldina	32 weeks	11	1,856	41,495 -	8,340	1,522,021 - 265,430
Leopoldina Terma ..	32 weeks	15	219	25,000 -	12,000	97,710 - 45,000
San Paulo	33 weeks	12	154	45,391 -	5,321	1,80,972 - 16,760

COMPANY MEETINGS, &c.

MITCHELLS AND BUTLERS, LIMITED.

GOOD RESULTS—RECORD PROFIT.

LORD BALFOUR OF BURLEIGH'S BILL.

ISSUE OF SHARES—SCHEME EXPLAINED.

The forty-first annual general meeting of the shareholders of this company was held at the White Horse Hotel, Birmingham, on Thursday, the 16th inst., under the presidency of Sir William Waters Butler, Bart.

The Chairman, in moving the adoption of the report and accounts, said: Ladies and Gentlemen,—Since our last meeting the board and the shareholders have suffered the great loss of two able administrators of the affairs of the company.

Lt. Col. H. S. Staveley-Hill, who joined the board in 1912, has, for private reasons, regretfully resigned his position. His colleagues on the board will greatly miss his sound and valued advice, and I am sure the shareholders will regret that he is not with us to-day to give us one of those delightful and encouraging speeches to which we have listened on many occasions.

On June 20th last we lost another member of the board by the sad death of Mr John Mason Lones, who had been in the employ of the company, one may say, the whole of his working life. So highly did the directors and the shareholders appreciate the splendid services he had rendered to the company, that in 1919 he was the first member of the staff invited to become a member of the board.

The trading results have been satisfactory. Our output was greater, which, in face of unemployment, is remarkable. The new establishments which we have opened this year have met with the highest praise from the Licensing Justices and the public. During the current year we have a heavy building programme entailing the erection of other licensed houses, and also a big extension of our bottling, which is necessary to meet the ever-increasing demand for our bottled goods.

The financial results are better than one could have anticipated in face of the prevailing industrial conditions.

It was hoped that the Chancellor of the Exchequer might have been in a position to so lighten the beer duty as to enable beer to be sold cheaper to the consumer, but, unfortunately, the financial position did not permit this.

TAXATION AND PRICE OF BEER.

When in 1923 the price of beer was reduced 1d per pint, while the State found £20,000,000, the brewing trade found approximately £5,000,000, relying on the consumption of beer to increase, which it did, but not to the extent that was anticipated. The brewers agreed that they would not endeavour to recoup themselves by making the beer weaker. This agreement they have honourably carried out; in fact, the strength of beer is now higher than at the time the retail prices were reduced. Mr Snowden, in the House of Commons a few days ago, said the brewers reduced the strength. He owes an apology to the brewers for falsely imputing to them such a dishonourable act. In his statement he made a declaration which I should like the working classes to especially note, because he claims to represent their interests. He said: "The weaker the beer the better it will please me." Any increase in the retail prices of beer, or an increase or decrease in the beer duty resulting in weaker beer being offered to the consumer, would be nothing short of a cruel imposition, for to-day he is bearing an increase of nearly 200 per cent. for a similar quality of beer—the duty being over 900 per cent. greater than the pre-war rate. These huge increases in charges have naturally decreased consumption, and consequently have added to the severity of agricultural depression, as growers of barley and hops have suffered greatly.

The State has no right to exact cruel taxation from the moderate drinker of alcoholic beverages because of the excesses of the few. It seems to me that some people would reduce beer to the non-exhilarating level of a non-alcoholic beverage by imposing heavy taxation upon it, thereby making it costly, so as to bring about what really is compulsory abstinence, but which they describe as an advance in temperance. Then, to cap all, these smug reformers, after largely adding to the cost through taxation,

censure the worker for spending so much on his beer. What humbug!

PROBLEM OF EXCISE LICENCES.

During the Debate in Committee on the Budget a Clause was moved seeking a reduction of 25 per cent. in the Retail Licence Duties, the claim being based upon the great decrease of the permitted trading hours, approximately 50 per cent. The Chancellor of the Exchequer agreed that the effective value of a licence has been greatly diminished by the reduction which has been made in the hours, and went on to say that although he was not in a position this year to mitigate the burden of "on" licence-holders, he confidently hoped "that it will be possible, unless some unfavourable turn takes place, to make some mitigation of the 'on' licence duty next year." He said that when it was found this relief could be granted would be the time to deal with the appeal of the wine and spirit "off" licence-holders, who were seeking to expand their present limitation of a minimum sale of a bottle of spirits to half a bottle, a privilege this class of licence has never enjoyed. Such a concession would naturally injure the trading of the fully-licensed house, and consequently it would be unjust to grant it without a reduction in the licence duty of the "on" licensed trader, who is already suffering from fewer trading hours. But that is not the only injustice which would be inflicted upon him if this concession were granted, for while many people think that all retail licences have to be granted by the Licensing Justices, it is not so, for, strangely, the Justices have no power to prevent any person taking out a retail wine and spirit "off" licence from the Excise, provided sales are limited to not less than a bottle of spirits or a half-bottle of wine. The natural result, of course, is that these licences are rapidly increasing in number, and Licensing Justices are protesting that their work of reducing "on" licences under the Compensation Act of 1904 is being defeated by the increase of these Excise Licences, while firms, like your own, who are called upon to surrender to the justices several licences in congested areas for the grant of a new "on" or "off" licence, or for the rebuilding or improvement of present licensed houses, find that they have to meet this increasing competition, which, consequently, retards the much-desired growth of the improved licensed house. Half-bottle or bottle, the granting of these licences should become subject to the control of the Licensing Justices, as other retail licences are at present. Before we have got the slates on the roofs of newly-licensed houses costing many thousands of pounds, for the granting of which we have had to close old licensed houses, we find shops with these Excise Licences opened within a few doors of such properties, greatly depreciating the value of the grant of the Licensing Justices.

LIQUOR (DISINTERESTED OWNERSHIP AND MANAGEMENT) BILL.

The Government, of course, cannot prevent our old-time opponents making use of either House for so-called temperance propaganda by presenting resurrected Bills, and having them printed for publicity purposes at the cost of the country. After the crushing defeats of the Popular Liquor Control Bills in the Houses of Lords when presented by the late Bishop of Oxford, and afterwards by the Bishop of Liverpool, our opponents thought it advisable to camouflage their plan of campaign by backing a modified Bill which was introduced by Lord Balfour of Burleigh. It was announced as being, "not so much a temperance Bill as a public-house reform Bill," and had the title of the Liquor (Disinterested Ownership and Management) Bill.

AIM OF THE BILL.

Shortly, the aim of the Bill was to effect by a resolution carried by a simple majority of votes in a Parliamentary voting area the transfer to a control body the licensed properties in that area, also possibly the breweries, and where 50 per cent. of the products of a brewery had commonly been sold in the area the owner could

demand to be taken over. The resolution was to be in force for 15 years. Generally speaking, the object was to bring about the carrying on of the trade in alcoholic liquors in districts on the lines now operating in Carlisle. Reference was made in very strong terms to the present standard of the public-houses in this country. I need not trouble you again with my views on redundant licensed houses and how only "thinning" can bring about a full measure of the desired improvement. No matter what views one may hold about State management, Carlisle has undoubtedly indicated to brewery owners the way in which the better public-house can come about and be a commercial proposition. By combination Birmingham brewers, with the aid of the licensing justices, have accomplished much in that direction, and it is hoped other brewers will unite to the same end. I am pleased to note a growing tendency for my fellow-brewers to inquire into the Carlisle and Birmingham "fewer and better" schemes, and apply them to their own districts. Carlisle has certainly roused in the trade the spirit of self-preservation if it has done nothing else.

Lord Balfour of Burleigh's Bill was rejected by 67 votes to 24. It was, in my opinion, the most honest so-called temperance measure from the point of view of compensation for dispossessed interests that I have yet seen, although it was not perfect in that direction, particularly in relation to "off" licences.

The most valuable declaration made in the debate on the Bill was that of the Lord Chancellor, from which one was able to get an inkling of the Government's view on licensing matters.

VIEWS OF THE LORD CHANCELLOR.

He said "to reduce the excessive number of public-houses more speedily than would be otherwise achieved, and, secondly, to improve the amenities of the public-houses so as to make them more decent and more attractive places. Those objects undoubtedly are admirable ones. They would command the approval not only of the Government but, I am sure, of every one of your lordships." If the Lord Chancellor expressed the considered opinion of the Government, then I say they can hasten this policy of "fewer and better," by allowing the powers in the Act of 1904 to operate, namely, by permitting licensing justices to borrow on the security of the Compensation Fund, which would enable them to accelerate the "thinning" of redundant houses and thereby encourage the improvement of those which remain.

Nationalisation had no blessing, but the Lord Chancellor said: "I hope that no member of your lordships' house will suppose for a moment that His Majesty's Government are not in favour of the principle of disinterested management. That is not involved in this Bill at all. We believe that disinterested management is very often a valuable method of regulating the drink trade." No attempt was made to define "disinterested management," but one gathered the impression that it is supposed to be found in "trust" houses. With this view I cannot agree. I should have thought Carlisle was the best example of so-called disinterested management. Whether the attainments there appeal to the Government or not I cannot say, but as one who has been connected with this State scheme since its inception, I am eagerly awaiting to hear some official declaration as to the Government's opinion of the value or otherwise of its continuance, or of its extension to other districts, or whether the undertaking is only awaiting the attention of the Disposal Board. Such an atmosphere of uncertainty can only discourage those engaged in its administration.

POLITICAL PARTIES AND LICENSING TRADE.

Before our next annual meeting the country will have undergone the turmoil of a General Election. I do not think the subject of licensing legislation will be prominent in the appeals of either of the three parties. The attitude on the question appears to be that the Unionist party is inclined to leave matters as they are, notwithstanding that it is generally felt in the trade that legislation is necessary to secure uniformity in the hours of trading and, if the national revenue will permit, a reduction in the beer duty having for its object making beer cheaper to the consumer, and by the resulting increase in production benefiting the barley and hop growers, whose acreage of these crops has been so greatly diminished through the reduced barrelage brewed. One cannot help but feel thankful that the Government, whose term of office is coming to an end, has not permitted legislation detrimental to the trade, but on several occasions has indicated its opposition to any such proposals put forward by private members. I am afraid that so long as Mr Lloyd George is the leader of the Liberal Party, with his determination to secure the Nonconformist teetotal vote, we may expect hostility rather than otherwise, from that quarter. The Labour party has already issued a statement of its policy and the methods proposed to give it effect, and with reference to licensing legislation states: "It is a matter for satisfaction that drunkenness is declining, and that the number of cases is a fraction of the number in the years before the war. The

problem, however, is one which cannot be ignored in any national policy. A Labour Government would appoint a Royal Commission to enquire into the development and changes which have taken place, both at home and abroad in recent years, and to report upon what modifications in the law and what changes in the method of control should be made with a view of the necessary legislative action." This, in short, seems to indicate that the Labour party which, I imagine, claims to represent the interests of those who certainly form the majority of beer drinkers, might bring about legislation which would irritate its members.

As to what may be the result of the election it is better not to prophesy. The teetotal cranks are certainly thinking the addition to the register of several millions of women voters, brought about by the conferment of equal franchise, will be a great gain towards attaining prohibitory legislation. This was their thought thirty-five years ago in New Zealand under similar franchise conditions, but prohibition has not yet been brought about there. I am not going to believe the women of England favour legislation which would deprive them of the freedom of living their lives as they think proper, so long as their conduct inflicts no injury upon others. A woman may be a little more sentimental than a man and apt to be carried away by a glib tongue, but in the end she can be relied upon to see that fair play is meted out to those around her.

I have now finished my remarks with regard to the conditions under which we carry on our trade. I will ask you to turn for a few moments to the consideration of our balance-sheet and the results of our trading for the past year.

RECORD PROFIT.

There are two features—and two only—to which I will draw your particular attention, the one pleasing, the other not so pleasing. The first—the pleasing one—is the trading profit for the year, £625,945. This, as you will know, is a record profit, and is the result of a number of circumstances. It is due first and foremost to the excellent quality and the popularity of our products. The profit is due also to the excellent management in all departments, upon which I can rely with confidence, and which, as chairman, I am delighted and proud to acknowledge. Lastly, it is due to our system of developing and extending our means of distributing our products to the public; this has been made possible to the extent achieved by the prudent policy in the distribution of profits which the company for many years has pursued with the wise approval of its shareholders, which has enabled us, year by year, to seize opportunities for favourable development, and to undertake the building of new licensed premises in new districts where the licensing justices have made grants of licences in exchange for removal and surrender of licences from districts already sufficiently or more than sufficiently catered for. You must not conclude from these remarks that the opening of new licensed premises in new districts is at once a profitable venture—that is by no means always the case; the building and equipping of new premises can only be done at a very considerable outlay, to which must be added the cost of the land and the cost of the licences removed and surrendered as a condition of the new grant. It is often some years before the company obtains an adequate trading profit from a new property, but this policy does ensure our retaining trade which might otherwise be lost by the transference of population to a new district. This movement of population has been an outstanding feature since the Great War, and is due to the energetic and successful way in which municipal authorities—and to some extent, private enterprise—have coped with the housing shortage. We could not have followed up this development with the resources at our disposal in the way we have but for the prudent policy to which I have referred.

CASH POSITION.

This brings me to the second feature of our balance-sheet, the one which I said was not so pleasing. It is the cash position. The balance-sheet of 1927 showed cash £843,000 in round figures; this year's balance-sheet shows cash £535,000 in round figures—a drop of £308,000 in one year—and I may add that the 1927 figure of cash showed a drop on that of 1926. This fall in available cash resources is important; it has given your board for some time past cause for reflection, and for consideration of the future requirements of the company. A substantial amount of the decrease since 1926 is due to the curtailment by the Government during the past two years of the credit for beer duty from three months to one month, but it is also largely due to our capital expenditure in the purchase and building of new properties and extensions at Cape Hill Brewery. We are faced now with a number of commitments in the shape of new grants of licences in new districts which we are desirous of taking early advantage of, and we recognise that it is due to the licensing justices that we should as soon as possible erect and open the new houses to meet the demand for which the licences were

granted. Then, in addition to that, there is always expenditure to be undertaken in improving and altering existing licensed premises. We aim at high standards, not only in the quality of goods supplied, but also in the premises in which our products are retailed. We mean, with your approval and support, to maintain the reputation of this company in both these respects. To do so, and to continue necessary development, we shall require additional capital resources, otherwise we should be obliged to defer what we feel sure will be profitable outlay. That would be unwise, and we have therefore decided to lay before you to-day our proposals for increasing our capital resources.

ISSUE OF NEW SHARES.

We propose to give the ordinary shareholders the first opportunity of providing the money. Towards the end of this year—probably in December—we shall give the ordinary shareholders the right to subscribe for one new ordinary share for every ten held. The new shares will be offered at the price of 45s per share. But it is thought there may be—probably there will be—shareholders who will not find it convenient to find the money to take up their quota of new shares, and we feel that it would be unfortunate, even unfair, if shareholders who had stood by us for years perhaps, and seen us build up substantial reserves and supported us in that policy, were obliged to sell their rights or part of their rights or to sell other securities to take up the new shares. We looked round for some means of enabling shareholders to take up the new shares, if they so desired, without having to sell in the way I have indicated.

NEW SHARES EXPLAINED.

We decided to capitalise part of the existing reserves and undivided profits by issuing to the shareholders on the register on a date to be fixed—probably on November 30th next—a new class of share, which we propose to designate—the name is not definitely fixed—a “B” ordinary share, limited to 7 per cent. dividend (subject to tax), but ranking equally with the ordinary shares up to that limit. It is not proposed to give this new class of share any voting rights or any right to share in surplus assets on a winding-up; its rights will be clearly defined in the resolution which it will be necessary to submit to the shareholders at an extraordinary general meeting later in the year. We have decided to give one fully paid new “B” ordinary share of £1 for every five ordinary shares then held as a capital bonus. You will appreciate the result; each ordinary shareholder will receive without payment two of these new “B” ordinary shares of £1 each for every one of the ordinary shares, which will be offered to him at 45s a share. Any fractions of these shares will not be issued, but will be dealt with by the company.

I mentioned a moment ago that the new “B” ordinary shares would be probably issued to the ordinary shareholders on the register on November 30th next. The company are not likely to require the money from the new ordinary shares until next year, so that the calls on the new ordinary shares will be probably made as follows:—

10s on acceptance on January 8, 1929.

15s about the middle of February,

And the balance of £1 at the end of March next year.

It follows that both the new “B” ordinary shares and the ordinary shares will not rank for dividend for the whole of the current financial year. It is proposed that the “B” ordinary shares shall rank for dividend as from January 1, 1929, and the new ordinary shares will rank for half the dividend which is declared for the whole financial year ending June 30, 1929.

The effect of these transactions will be that if the shareholders take up the shares offered to them the company will be provided with £605,515, and the reserves and undivided profits will be reduced £201,839, due to the capitalisation of £538,236, the amount of the issue of the new “B” ordinary shares, less the premiums of £336,397 on the issue of ordinary shares.

THE RESERVES.

I am anxious, and all your directors are equally anxious, that I should take this opportunity of referring to our reserves. It has been reported to my colleagues and me that the shareholders are under the impression that there are very considerable inner reserves which are available for dividend or capitalisation purposes. It is perfectly true that we have from time to time safeguarded the position of the company by creating inner reserves against items in the balance-sheet, where we thought it desirable to provide against contingencies, and the total of those provisions does amount to what might be considered a substantial sum; but I want to say most emphatically, and I am speaking here for all my colleagues, who have approved what I am now saying, that in the opinion of all of us the inner reserves which we have made are not more than are, in our opinion, necessary and

prudent for a company of our size carrying on a trade beset with many difficult and complex problems, and we wish to remove any expectation there may be in the minds of the ordinary shareholders that there are now large sums of inner reserve which are available for dividend or bonus purposes.

In due course, towards the end of this year, you will be receiving notice of an extraordinary general meeting, giving you full details of the scheme which I have outlined to you this morning. I have made the announcement on behalf of the board at our meeting to-day, because it is our wish that the shareholders of the company should have the first intimation of our proposals, and I have outlined the proposals to you as fully as I can at this stage in order that you who are present to-day, and the other ordinary shareholders, who will receive the usual printed report of our proceedings, may have ample time to consider our proposals and decide what is desirable for you and them to do.

With these remarks, ladies and gentlemen, I beg to move the adoption of the report, and will ask Mr. Herbert W. Bainbridge to second the resolution.

Mr Herbert W. Bainbridge seconded the resolution, which was carried unanimously.

WATNEY COMBE REID AND COMPANY, LIMITED.

LARGE EXPENDITURE ON IMPROVING PROPERTIES.

The ordinary general meeting of Watney Combe Reid and Co., Limited, was held, on the 10th instant, at the Charing Cross Hotel, London, Sir H. Cosmo O. Bonsor, Bt. (chairman of the company), presiding.

The secretary (Mr H. S. King) having read the notice convening the meeting and the report of the auditor,

The Chairman, in moving the adoption of the report and accounts, said:—Trade was bad last autumn, and up to December 31st we showed a decrease on the corresponding period of the previous year. Since January 1st there has been a recovery, and for the six months ended June 30th we show a small increase. The trade in bottled beers continues to grow, and during the last year we sold over 100,000,000 half-pints of all descriptions. In our report we inform you that we have spent, on improving our properties in one way or another, the whole of the £400,000 reserved out of profits last year. This investment has helped us to maintain our sales, and you will observe that there is a satisfactory increase in net rents of £5,000.

REPLY TO CRITICISMS.

I notice that one of the financial critics made the following remark concerning our report: “Considering that during the year the whole of the £400,000 reserved twelve months ago was spent in the purchase of additional houses, in converting leaseholds into freeholds, and in improving the properties, the increase in trading profit seems a barely adequate reward.”

I think this statement is the result of some loose thinking. With a little more consideration he would have realised that the conversion of leaseholds into freeholds does not sell more beer, but gives us security of tenure; and further, that during the period when the properties are being improved, trade must actually suffer, as it frequently has to be carried on in a wooden hut or shanty. Including the £400,000 we are carrying to general reserve this year, that figure will stand at £1,159,000 in the balance-sheet. Individually I consider that it is a misnomer to call it “a general reserve,” which conveys the idea that it is a liquid asset which could be used for payments in cash. Personally, I think it should be called “undivided profits invested in the business.”

Last year when we met we had to face a liability to the Government owing to the reduced credit for paying the beer duty and the payment of one whole year's Schedule “A” tax on January 1st, totalling together some £300,000. That liability has been met and will not fall upon us again this year. I might mention that our sundry creditors this year include the beer duty previously shown as a separate item, as it now represents the duty owing for the month of June only, which was, of course, paid in the middle of July. Our liquid assets, which show a reduction of £160,000, amount to £1,450,000, including the £400,000 which we shall carry to reserve for capital expenditure, and they are amply sufficient to keep us in funds without any question of having to borrow for ordinary expenditure. You must remember that April is the month when our cash balance is lowest.

INVITATION TO TEMPERANCE LEADERS

We are continuing our policy of improving our public houses, and have now running some 41 contracts in hand and many others under consideration. I am given to understand that a temperance league is organising a party of Labour representatives to visit Carlisle next week, with the object of viewing the principal licensed houses in that area, which, as you know, come under the State Management Scheme. I should like to take this opportunity of

extending a cordial invitation to those gentlemen to make a tour of our improved public houses in London, as I feel sure that such houses are second to none in the country, and we would welcome the opportunity of showing them improved houses, especially in working-class districts. I am glad to report that the licensing authorities are more sympathetic, and are taking an interest in the restaurant public houses. I welcome the formation of the Restaurant Public Houses Association, which has been formed with the object of creating a strong public opinion of the value to the community of improved public houses. The association seeks to promote closer co-operation between licensing justices, brewers and social workers, which it is anticipated will facilitate the favourable consideration of applications made to the justices for permission to carry out such improvements. The association includes the names of such well-known social workers as the Marchioness of Londonderry, Bishop Talbot, Sir Francis Morris, the Earl of Sandwich, Sir John and Lady Sykes, Mr Cecil Chapman, and many others, and we hope that their public-spirited work may not only prove successful, but that they will put forward some necessary reforms of the existing restrictions on individual liberty.

Sir Richard Garton, G.B.E. (deputy-chairman), seconded the resolution, which was carried unanimously.

The final dividend of 2 per cent., making a full 4 per cent. for the year on the preferred ordinary stock, and a final dividend of 12 per cent., making 10 per cent., for the year ending June 30, 1928, on the deferred ordinary stock, was approved.

GOVERNMENT RETURNS, &c.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1928-29.	Total Receipts into the Exchequer from April 1, 1928, to Aug. 11, 1928.	Week Ended Aug. 11, 1928.	Week Ended Aug. 13, 1927.
Balances in Exchequer on 1st April:				
Bank of England ..	5,918,513	6,003,023	..	..
Bank of Ireland ..	404,112	456,633	..	..
	6,322,625	6,459,656	..	..
ORDINARY REVENUE.				
Inland Revenue—				
Property and Income Tax ..	232,900,000	40,568,000	54,894,000	4,809,000
Super Tax ..	60,000,000	9,840,000	12,770,000	240,000
Estate, &c., Duties ..	72,000,000	29,290,000	23,805,000	2,570,000
Stamps ..	28,000,000	8,730,000	6,615,000	140,000
Excise Profits Duties, &c. ..	1,000,000	..	..	..
Corporation Profits Tax ..	1,500,000	250,000	720,000	10,000
Land Tax, House Duty and Mineral Rights Duty ..	850,000	140,000	110,000	..
Total Inland Revenue ..	396,250,000	88,818,000	98,914,000	6,439,000
Customs and Excise—				
Customs ..	120,637,000	39,659,000	39,884,000	1,951,000
Excise ..	140,768,000	43,490,000	45,408,000	1,265,000
Total Customs & Excise ..	261,405,000	83,159,000	85,292,000	3,216,000
Motor Vehicle Duties (Exchequer Share) ..	4,400,000	1,595,000	1,937,419	141,000
Post Office (Net Receipts) ..	8,186,000	4,550,000	3,900,000	950,000
Crown Lands ..	1,100,000	430,000	430,000	..
Receipts from Sundry Loans ..	27,650,000	8,240,473	6,839,928	15,658
Miscellaneous: Ordinary Receipts ..	13,550,000	3,745,062	5,699,560	25,174
Miscellaneous: Special Receipts ..	40,362,000	7,030,219	9,965,825	216,847
Total Ordinary Revenue ..	752,903,000	197,567,732	213,038,732	10,685,069
SELF-BALANCING REVENUE.				
Post Office ..	57,314,000	19,400,000	19,250,000	800,000
Motor Vehicle Duties apportioned to Road Fund ..	21,300,000	5,413,000	4,529,58	1,186,000
Total Self-Balancing Revenue ..	78,614,000	24,813,000	23,779,58	1,936,000
OTHER RECEIPTS.				
Temporary Advances Repaid—				
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	..	..	..	..
Under the Unemployment Insurance Acts, 1921 ..	714,432	2,868,000	..	40,000
Money Raised by Creation of Debt—				
(a) For Capital Expenditure Issues: Under the Telegraph (Money) Act, 1925 ..	2,550,000	2,500,000	..	..
(b) Under the Unemployment Insurance Acts, 1921 ..	2,370,000	960,000	300,000	..
(c) For other Issues: By Treasury Bills ..	875,961,000	902,251,000	52,476,000	50,171,000
By 4% Consolidated Loan ..	41,316,756	12,700,000	500,000	700,000
By National Savings Certificates ..	14,300,000	..	..	..
By National War Bonds ..	10	..	..	..
By 5% Treasury Bonds, 1933-35 ..	58,235,113	..	..	..
(d) Ways and Means Advances ..	225,750,000	209,880,000	1,700,000	..
Repayments—				
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921 ..	53,273	55,007	..	..
Total ..	£ 1,408,637,207	£ 1,415,808,732	£ 55,866,174	£ 63,532,069

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1928-29 (including Supplementary Grant).	Total Issues out of the Exchequer to Meet Payments from Apr. 1, 1928, to Aug. 11, 1928.	Week Ended Aug. 11, 1928.	Week Ended Aug. 13, 1927.
ORDINARY EXPENDITURE.				
Interest & Management of National Debt ..	304,000,000	142,156,881	136,614,669	2,207,232
Payments to Local Taxation Accounts ..	14,200,000	2,008,773	1,889,975	..
Payment to Northern Ireland Exchequer ..	5,600,000	1,329,798	1,387,763	..
Other Consolidated Fund Services ..	2,600,000	777,148	1,257,142	..
Supply Services (excluding Post Office) ..	350,192,000	117,043,500	121,773,300	4,425,000
Total Ordinary Expenditure ..	676,592,000	263,316,100	262,922,819	6,632,232
Sinking Fund ..	65,000,000	20,914,441	13,536,305	624,999
SELF-BALANCING EXPENDITURE.				
Post Office ..	57,314,000	19,400,000	19,250,000	800,000
Road Fund ..	21,300,000	5,413,000	4,529,581	1,186,000
Total Self-balancing Expenditure ..	78,614,000	24,813,000	23,779,581	1,936,000
OTHER ISSUES.				
Temporary Advances				
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	18,458	18,458	..	..
Under the Unemployment Insurance Acts, 1921 ..	2,070,000	960,000	300,000	..
Issues to Meet Capital Expenditure—Under the Telegraph (Money) Act, 1925 ..	3,750,000	3,600,000	400,000	400,000
Unemployment Insurance Acts, 1921	714,432	2,828,000	..	..
Repayment of Amounts Borrowed Redemption of Debt—				
Treasury Bills ..	794,275,000	884,305,000	50,170,000	45,335,000
Principal of National Savings Certificates ..	15,600,000	14,100,000	850,000	600,000
Principal of National War Bonds paid off ..	46,786,395	..	..	..
Other Debt under the War Loan Acts, 1914 to 1919 ..	3,341,000	..	..	..
Ways and Means Advances Repaid ..	229,950,000	207,101,000	5,800,000	8,300,000
Old Sinking Fund, 1870-8—Issued under Section 9 of the Finance Act, 1908 ..	1,000	1,000	..	..
	1,405,849,786	1,413,151,193	65,577,231	63,999,877
Balances in Exchequer—				
Bank of England ..	2,215,987	2,055,086	137,942	27,172
Bank of Ireland ..	571,434	622,453	91,001	10,000
Total ..	2,787,421	2,677,539	228,943	37,172

Treasury, August 13, 1928.

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Coin Outstanding.	Investments Reserve Account.	Redemption Account.					
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.	Government Securities.	Balance at Bank of England.
1924.								
Mar. 25 ..	281,538	11,908	7,000	27,000	22,450	17/6	236,867	130
June 25 ..	290,316	12,472	7,000	27,000	22,450	17/0	246,198	140
Sept. 24 ..	285,592	12,227	7,000	27,000	22,450	17/3	241,185	184
Dec. 31 ..	296,261	12,812	7,000	27,000	22,950	18/2	248,111	132
1925.								
Mar. 25 ..	284,256	11,882	7,000	27,000	26,950	18/9	235,076	112
June 24 ..	292,278	12,265	7,000	..	53,950	18/5	243,474	119
Sept. 30 ..	293,004	12,555	7,000	..	56,250	19/1	242,188	121
D. C. 30 ..	296,777	12,561	7,000	..	56,250	19/9	245,896	192
1926.								
Mar. 31 ..	295,337	12,226	6,550	..	56,250	19/0	244,585	178
June 30 ..	294,036	12,567	6,550	..	56,250	19/1	243,667	136
Sept. 29 ..	287,858	12,295	6,300	..	56,250	19/9	237,467	136
Dec. 22 ..	296,461	12,457	6,300	..	56,250	19/9	246,248	119
1927.								
Mar. 30 ..	288,067	11,882	5,650	..	56,250	19/5	237,913	135
June 29 ..	298,260	12,812	5,650	..	56,250	18/8	249,067	105
Sept. 28 ..	294,798	12,722	5,650	..	56,250	19/0	245,424	226
Dec. 28 ..	299,791	12,904	5,650	..	56,250	18/8	250,662	133
1928.								
Mar. 28 ..	289,508	12,515	5,500	..	56,250	19/4	240,241	132
June 27 ..	291,000	12,404	5,400	..	56,250	19/0	246,696	178
Aug. 8 ..	300,819	12,458	5,400	..	56,250	18/7	251,56	171
Aug. 15 ..	295,577	12,500	5,400	..	56,250	19/0	246,314	113

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiducial issue for 1920 was fixed at £320,000,000; for 1921 at £317,555,200; for 1922 at £309,988,400; for 1923 at £270,183,800; for 1924 at £246,190,900; for 1925 at £248,145,400; for 1926 at £247,902,500; for 1927 at £246,011,000; and for 1928, at £244,935,100.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on Aug. 10, 1928, and the total amount applied for was £46,500,000. For bills at 3 months, dated Monday to Friday, at £98 18s 5d. about 80 per cent., above in full; Saturday at £98 18s 8d, and above in full. The amounts allotted were in bills at 3 months, £38,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1928.	£	£	£ s d
June 8.....	35,000,000	53,050,000	£ 15 1 1/4
June 15.....	35,000,000	45,980,000	£ 15 2 1/2
June 22.....	35,000,000	43,275,000	£ 16 4 1/2
June 29.....	40,000,000	73,745,000	£ 16 6 1/2
July 6.....	40,000,000	57,650,000	£ 14 0 1/2
July 13.....	40,000,000	47,975,000	£ 1 3 1/2
July 20.....	40,000,000	57,355,000	£ 4 0 1/2
July 27.....	40,000,000	49,165,000	£ 4 2 6 1/2
Aug. 3.....	40,000,000	48,450,000	£ 4 4 2 1/2
Aug. 10.....	40,000,000	46,430,000	£ 4 5 4 1/2

MONTHLY STATEMENT OF LONDON CLEARING BANKS.
(000's omitted.)

Average Weekly Balances. JULY, 1928.	Barclays Bank, Limited.	Coutts and Co.	Glyn, Mills and Co.	Lloyds Bank, Limited.	Martins Bank, Limited.	Midland Bank, Limited.	National Bank, Limited.	National Provincial Bank, Limited.	West- minster Bank, Limited.	Will'tms Deacon's Bank, Limited.	Aggregate.
	£	£	£	£	£	£	£	£	£	£	£
ASSETS.											
Coin, bank and currency notes, and balances with the Bank of England ..	34,164	1,530	2,665	39,732	8,589	45,297	3,815	29,289	28,573	3,397	197,051
Balances with and cheques in course of collection on other banks in the United Kingdom	8,776	735	1,578	8,586 2,607	2,426	14,379	146	8,426	9,258	1,100	55,410 2,607
Items in transit	25,788	2,116	2,811	30,556	9,409	25,878	5,143	18,533	27,181	2,635	150,050
Money at call and short notice	47,335	989	1,300	47,791	3,258	58,432	2,251	40,418	54,932	1,800	258,506
Bills discounted	51,828	4,242	8,376	38,241	21,528	31,901	15,349	34,780	39,311	5,376	250,932
Investments	168,418	10,022	11,424	191,882	41,066	213,614	15,511	146,042	130,536	18,982	947,497
Advances to customers and other accounts											
Liabilities of customers for acceptances, endorsements, &c.	18,187	333	2,126	49,421	7,019	48,517	67	15,105	17,801	1,200	159,776
Bank premises account	5,455	372	695	6,840	2,135	8,730	788	5,665	4,506	977	36,163
Investments in affiliated banks	5,476	..	..	6,394	..	6,666	..	2,934	2,992	..	24,462
	365,427	20,339	30,975	422,050	95,430	453,414	43,070	301,192	315,090	35,467	2,082,454
Ratio of cash to current, deposit, and other accounts	10.63	8.49	9.84	11.45	10.63	11.97	10.26	10.96	10.25	10.94	11.03
LIABILITIES.											
Capital paid up	15,858	1,000	1,060	15,810	4,160	13,287	1,500	9,479	9,320	1,875	73,349
Reserve fund	10,250	1,000	530	10,000	3,458	13,287	1,410	9,479	9,320	1,350	60,084
Current, deposit, and other accounts	32,132	18,006	27,063	346,814	80,778	378,323	37,167	267,129	278,636	31,042	1,786,090
Acceptances, endorsements, &c.	18,187	333	2,126	49,421	7,019	48,517	67	15,105	17,801	1,200	159,776
Notes in circulation	..	..	..	5	15	..	..	..	..	..	196
Reduction of bank premises account	..	..	196	..	..	..	..	..	..	..	..
	365,427	20,339	30,975	422,050	95,430	453,414	43,070	301,192	315,090	35,467	2,082,454

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription
of one pound of fine gold equals 1,392 Reichsmarks.

	Aug. 7, 1928.	July 1, 1928.	July 23, 1928.	Aug. 8, 1927.	Figures May 31, 1927.
Assets.					
Coin and bullion—Gold.	146,928.	146,381	146,391	147,231	24,222.21
Balance abroad and foreign bills.	33,361	32,226	33,397	11,790	28,535.30
Norwegian and Foreign Govern- ment securities.	9,323	9,323	9,323	28,291	8,816.10
Discounts and loans.	271,196	280,516	271,342	282,310	76,931.10
LIABILITIES.					
Notes in circulation.	317,076	319,265	317,778	326,337	113,488.10
Deposits.	76,753	82,416	75,817	90,716	7,181.10

	Town.	Metropolitan.	Country.	Total.
1928.	£	£	£	£
January 1 to Aug. 1	23,368,280	1,103,377	1,804,745	26,274,402
Week ended Aug. 8	628,975	36,884	60,180	725,039
Week ended Aug. 15	667,789	32,179	55,498	755,466
Total to date 1928	24,665,044	1,171,440	1,918,423	27,754,907
Do 1927	23,199,704	1,120,444	1,882,411	26,202,559
Increase or decrease in 1928 {	+ 1,465,340	+ 50,996	+ 36,012	+ 1,552,348
	6.3%			5.9%
Total for year 1927	36,819,682	1,758,032	2,972,827	41,550,541
Total for year 1926	34,649,293	1,660,757	2,917,868	39,227,918
Increase or decrease in 1927 {	+ 1,473,253	+ 97,275	+ 154,959	+ 1,725,487
	4.3%	5.8%	5.3%	4.3%

**HEAD OFFICE: HELSINKI
(HELSINGFORS), FINLAND**
Established 1889.

	July 31, 1928.	July 23, 1928.	July 15, 1928.	July 7, 1928.	July 31, 1927.
Assets.					
Gold and silver holdings	1,473,283	1,472,358	1,471,144	1,470,640	1,409,951
Balances abroad and foreign currencies	543,230	641,206	424,934	447,984	320,752
Discounts and advances	1,465,684	1,487,551	1,517,613	1,471,617	1,402,420
Advances to the Treasury	4,518,216	4,518,216	4,518,216	4,518,216	4,562,064
LIABILITIES.					
Capital paid in	516,422	516,422	516,422	516,422	473,896
Reserve	1,130,608	1,128,416	1,129,068	1,129,064	1,089,592
Bank notes in circulation	1,112,272	1,179,751	1,044,102	5,397,314	3,046,496
Sight liabilities.	1,392,146	1,282,693	1,366,162	1,345,853	1,382,375
Deposits					

	July 14, 1893.	July 7, 1893.	June 30, 1893.	June 23, 1893.	July 16, 1893.	Position July 13, 1894.
Cash and bullion.....	1,136,622	1,136,204	1,135,565	1,137,259	1,128,911	241,320
Discounts.....	773,640	770,891	767,658	792,734	762,159	41,746
Advances.....	74,048	73,775	73,254	73,378	87,262	70,540
LIABILITIES.						
Notes.....	1,228,834	1,269,214	1,462,655	1,319,881	1,234,355	362,376
Port. deposits.....	630,371	653,174	651,486	677,996	767,710	87,346
Other deposits.....	407,546	370,604	244,515	300,285	276,172	11,449

	Aug. 18, 1927.	July 18, 1928.	July 25, 1928.	July 31, 1928.	Aug. 8, 1928.	Aug. 15, 1928.
all money	% 34	% 6	% 58	% 6	% 6	% 7
time money (90 days mixed coll)	44	6	6	6	6	64
all acceptances:—						
Members—eligible, 90 days ..	31	43	41	43	43	43
Non-mem.—eligible 90 days ..	31	43	41	43	43	43
Ineligible, 90 days ..	38	42	42	51	52	54
Commercial accept. 90 days ..	41	49	44	58	57	54

London on	Usance	Par.	Aug. 19, 1927.	Aug. 9, 1928.	Aug. 16, 1928.
New York	dollars to £1	Cable	4 86 ³ / ₄	4 85 ¹ / ₂	4 85 ¹ / ₂
Montreal	dollars to £1	Cable	4 86 ³ / ₄	4 85 ¹ / ₂	4 85 ¹ / ₂
Paris	francs to £1	T.T.	124.21	124.31	124.20-30
Berlin	marks to £1	T.T.	20.43	20.42 ¹ / ₂	20.36 ¹ / ₂
Amsterdam	florins to £1	T.T.	12.107	12.21 ¹ / ₂ -13 ¹ / ₂	12.10 ¹ / ₂
Brussels	belga to £1	T.T.	35.00	34.92 ¹ / ₂ -93	34.83 ¹ / ₂ -90 ¹ / ₂
Milan	lire to £1	T.T.	92.46	89.15-25	92.78-82
Genoa	lire to £1	T.T.	28.22	25.21 ¹ / ₂ -22	25.21 ¹ / ₂
Oslo	kroner to £1	T.T.	18.159	18.13 ¹ / ₂ -13	18.13 ¹ / ₂
Stockholm	krone to £1	T.T.	18.159	18.10 ¹ / ₂ -11	18.13 ¹ / ₂
Copenhagen	krone to £1	T.T.	18.159	18.14-15	18.18 ¹ / ₂ -19
Madrid	pesetas to £1	T.T.	25.224	24.74-76	29.09-11
Lisbon	escudo to £1	T.T.	4.50	2.2-3 ¹ / ₂	106 ¹ / ₂ -106 ¹ / ₂
Vienna	schillings to £1	T.T.	34.58 ¹ / ₂	34.48-52	34.41.4
Brague	francs to £1	T.T.	24.02(4)	163 ¹ / ₂ -164 ¹ / ₂	163 ¹ / ₂
Bombay	rupees to £1	T.T.	25.224	27.63-69	27.83-9
Batavia	pengo to £1	T.T.	27.82	27.82-87	27.84.7
Buakrest	leit to £1	T.T.	25.22 ¹ / ₂	785-790	795-800
Bofia	leva to £1	T.T.	25.22 ¹ / ₂	670-675	671-6
Athens	drachmae to £1	T.T.	25.224	373-372	375-4
Constantinople	piastres to £1	T.T.	110	967-980	943-6
Yaraw	gilt to £1	T.T.	45.33	43-44	43-4
Hankow	taels to £1	T.T.	133.23	119-123	124.3
Keval	bits to £1	T.T.	48.66	48.49 ¹ / ₂	48.9 ¹ / ₂
Royn	Kroon to £1	T.T.	18.159	18.00-18.02	18.09-16
Riga	lats to £1	T.T.	25.22 ¹ / ₂	25.15-30	25.15-30
Alexandria	piastre to £1	Sight	97 ¹ / ₂	97 ¹ / ₂ -98	97 ¹ / ₂ -98
Buenos Aires	pence to £1	T.T.	476.22	474 ¹ / ₂ -48	478 ¹ / ₂ -48
Sao de Janeiro	pence to £1	30 days	16	5.83-84	5.83-84
Sao Paulo	pence to £1	30 days	16	5.83-84	5.83-84
Valparaiso	dollars to £1	90 days	40	37.81	39.67
Yuma	Eng. to Per. £1	90 days	par	28 ¹ / ₂ prem.	19 ¹ / ₂ prem.
Calcutta	pence	T.T.	18	1.53 ¹ / ₂ -4d	1.53 ¹ / ₂ -4d
Bombay	to	T.T.	18	1.53 ¹ / ₂ -4d	1.53 ¹ / ₂ -4d
Madras	rupee	T.T.	18	1.53 ¹ / ₂ -4d	1.53 ¹ / ₂ -4d
Hong Kong	ster. to dollar	T.T.	..	1/118-2/0	2/0 ¹ / ₂
Shanghai	ster. to tael	T.T.	24.43	2/5 ¹ / ₂ -2/6 ¹ / ₂	2/7 ¹ / ₂ -8
Canton	ster. to tael	T.T.	24.43	2/5 ¹ / ₂ -2/6 ¹ / ₂	2/7 ¹ / ₂ -8
Kobe	ster. to yen	T.T.	24.53 ¹ / ₂	1/118-1/18	2/10 ¹ / ₂ -1/18
Manila	ster. to peso	T.P.	24.066 ¹ / ₂	24.08d	24.04d
Mexico	pence to dolrs.	T.T.	24.58 ¹ / ₂	23-23 ¹ / ₂	23 ¹ / ₂ -24

	Union of South Africa.		Union of South Africa.	
	From February 6, 1923.		From February 6, 1923.	
	London on South Africa.		South Africa on London.	
	Buying.	Selling.	Buying.	Selling.
100 days	1 1/2 % dis.	1 1/2 % dis.	par to 1/2 % prem.	1/2 % prem.
90 days	1 1/2 % " "	1 1/2 % " "	1 1/2 % dis.	1 1/2 % " "
60 days	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "
30 days	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "
10 days	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "
5 days	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "
1 day	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "

About £747,000 bar gold was available in the open market this week. Of this amount £434,000 was bought for a destination not disclosed, £259,000 for the "Continent," and the balance was absorbed by the requirements of India and the trade.

Business has not been active during the week and the variation of prices has been slight. China has been more of a seller than a buyer, as also India. As there has been no great pressure of selling, a moderate amount of bear covering has sufficed to prevent any heavy fall in quotations. Although gold has been carried freely by air for some time past, extensive movement of silver in similar fashion has not been expected.

L. MILLHOFF & CO. LTD., 86, PICCADILLY, W.1

It has, therefore, been interesting to learn that the Imperial Airways, Limited, have recently brought fifteen tons of silver from Paris to London, and may possibly convey more. This has been rendered possible by the large number of aeroplanes needed to convey holiday passengers to the Continent, and the difficulty in obtaining return freight. In this circumstances the Imperial Airways, Limited, has been able to quote specially advantageous rates.

INDIAN CURRENCY RETURNS. (In Lacs of Rupees.)

	July 22.	July 31.	Aug. 7.
Notes in circulation	17,978	18,079	18,081
Silver coin and bullion in India ..	10,241	10,313	10,300
Silver coin and bullion out of India ..	2,976	2,976	2,976
Gold coin and bullion out of India ..	4,277	4,273	4,273
Securities (Indian Government) ..	484	517	532
Securities (British Government) ..			

The stock in Shanghai on the 11th inst. consisted of about 48,200,000 ounces in sycee, 85,400,000 dollars, and 8,080 silver bars, as compared with 47,500,000 ounces in sycee, 82,500,000 dollars, and 7,420 silver bars on the 4th inst.

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce.		Date.	Silver.
		Cash.	Forward.		Cash.
1928.	s d	d	d		d
Aug. 10....	84 11½	27½	27 5/16	Aug. 25, 1922..	35½
11....	84 11½	27½	27 5/16	24, 1923..	30½
13....	84 11½	27½	27 5/16	22, 1924..	34½
14....	84 10½	27½	27 5/16	21, 1925..	32½
15....	84 11½	27½	27 5/16	20, 1926..	28½
16....	84 11	27½	27 5/16	19, 1927..	25½

NOTICES.

Barclays Bank, Limited, announce that their sub-office at Pontyclun has been converted into a full branch, and carried on in new premises at 15 Llantrisant road, Pontyclun (Glam.), under the management of Mr H. Reynolds; the branch is open every day. The Llanharan office, hitherto sub to Bridgend, has now become sub-branch to Pontyclun.

Lloyds Bank announces that Mr L. A. Stanley, formerly deputy-chief inspector, has been appointed an assistant general manager of the bank.

The Midland Bank announces the opening of a new branch at 8 Park parade, Gunnersbury Park, London, W.3, under the management of Mr H. S. Skidmore.

Westminster Bank, Limited, announce the opening of a new branch at Muster Green, Haywards Heath, under the management of Mr R. B. Cooper, of Staines.

Lloyds Bank, Limited, announce that a branch of the bank is now open at 119 Cholmley gardens, Mill lane, West Hampstead, N.W. 6, under the management of Mr T. C. Merry, manager of the Kilburn and Brondesbury branch. The bank also announce that a sub-branch is open at 1 Oxford street, Southampton, under the supervision of Mr P. Withers, manager of the Capital and Counties branch, Southampton.

Sir Thomas Catto, Bart., has been appointed a director of the Mercantile Bank of India, Limited, in place of the late Sir David Yule, Bart.

The Standard Bank of South Africa, Limited, announce that a sub-branch will be opened at Victoria road, Woodstock, Cape Province, on August 23rd.

CENTRAL UNION TRUST COMPANY OF NEW YORK

Head Office:
80 Broadway
NEW YORK

London
Representative:
C. Noël Hume
1 & 2 Gracechurch
Street, E.C.3

Complete
Commercial & Foreign
Banking Service

Acts in every
Fiduciary Capacity

Capital, Surplus and Undivided
Profits over \$50,000,000.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash.	Interim div.	Final div.	Method of Payment.	Lat'st Year.	Previous Year.
Railways.						
Canadian Pacific.....	2½%	Oct. 1	Quarterly			
Mining.						
Petaling	5%*	..	..	..		
Rhodesian and General Asbestos	10%†	..	Less tax		25	20
Other Companies.						
American Potash and Chemical	25s p.s.	Sept. 29	..	..		
Apin and Barrett	7½%	Sept. 3	..	..		
Associated London Properties ..	5%*	..	..	..	7½	..
Barnet District Gas	7*	Sept. 1	Less tax			
Belfast Ropeworks	1/ p.s.	Sept. 2	..	..	6½	6½
Bradford Dyers	5%†	..	..	..	8	..
British Overseas Stores	8*	..	..	..	..	..
Cannock and Co.	5*	Sept. 10	Less tax			
City of London Real Property ..	3%*	..	..	..	..	..
Clyde Valley Electric	7½%	Sept. 4	Less tax			
Daily Mirror Newspapers	8*	..	..	..	6	5
East African Power	8*	Sept. 4	Less tax			
Eastbourne Gas, "A" Stock	6½*	Sept. 4	Less tax			
Do "B" Stock	10%†	Oct. 1	..	..	12½	12½
E. Robin and Son	10%†	..	..	..	12½	12½
Glasgow American Trust	10*	Sept. 16	Less tax			
Goodlass Wall Results	10*	Sept. 16	Less tax			
Harrods (Shares 1 to 1,915,000) ..	10*	Sept. 16	Less tax			
Do (Shares 1,915,000 to 2,204,981) ..	10*	Sept. 16	Less tax			
Hart and Levy	3%*	..	..	..	7½	10
Henry Briggs	7/ p.s.	..	Tax free			
Irrawaddy Flotilla	7/ p.s.	..	Quarterly			
J. and P. Coats	2½%	Sept. 1	Less tax			
J. Oakley and Sons	8*	Sept. 1	Less tax			
Law Ltd	8*	Sept. 1	Less tax			
Lincoln Thread	3%*	Oct. 1	Tax free			
M. B. Postle	3%†	..	(abonus of 5%)		11	11
Merchants' Warehousing	5/ p.s.	..	..	..	6	5
Meux's Brewery	2%*	Aug. 28	Less tax			
Morris and Jones	7*	Sept. 1	Less tax			
New Tamarugal Nitrate	6†	..	Tax free		6	6
Oxford Electric	..	..	..	..	12½	12½
Owen and Robinson	..	..	..	..	..	..
Ryder and Son (1920)	..	..	..	..	..	..
Scottish Northern Investment	7½%	Sept. 13	Less tax at 3/7½			
Sheffield Gas	3½%	..	..	..	10	10
South of England Dairies	6½†	Aug. 25	Less tax			
Southend-on-Sea & District Gas ..	6½†	Aug. 25	Less tax			
Do New Ord. "B" Stock	6½†	..	..	..	12½	10
Spalding Picture House	1½%	Sept. 4	Less tax			
Sunday Pictorial Newspapers	5*	Sept. 1	Less tax			
Swansea Gaslight	5*	Sept. 1	Less tax			
Tobitt Bros	4*	Aug. 26	Less tax		8	6½
Thomas Dockrell	7*	..	..	..	..	..
T. Lyons and Co.	5*	Aug. 15	Less tax			
Vyse, Sons, and Co	2½%	Sept. 30	Less tax			
Walkers, Parker	..	..	..	..	5	5
Wilson Bros. Bobbin	..	..	..	..	..	..

Reports and Notices.

The Royal Exchange Assurance announces that Mr H. E. M. Kindersley, of Messrs Lazard Bros. and Co., Limited, has been elected to a seat on the court of directors of the corporation at head office.

Mr Allan Elder, of Melbourne, has been appointed manager of the London office of Goldsbrough, Mort and Co., Limited.

It is announced that Mr J. Ivan Spens, who is a partner in Brown, Fleming, and Murray, chartered accountants, Glasgow and London, has accepted an invitation to join the board of the United Steel Companies, Limited.

The Right Hon. Lord Rochdale has been appointed a director of the Phoenix Assurance Company, Limited.

MISCELLANEOUS.

HUDSON'S BAY COMPANY'S LAND SALES.—For quarter ended July 31, 1928:—

	1927.	1928.
Farm lands—		
Acres	57,046	85,526
Sold for	£135,692	£200,800
Town lots—		
Sold for	£2,934	£1,640
Total receipts (Gross)	£81,662	£101,600

For six months ended July 31, 1928:—

	1927.	1928.
Farm lands—		
Acres	110,242	168,908
Sold for	£271,654	£416,300
Town lots—		
Sold for	£6,980	£3,600
Total receipts (Gross)	£213,303	£284,300

MARCONI'S WIRELESS TELEGRAPH COMPANY.—With reference to the notice of redemption of the 6½ per cent. convertible 10-year first debenture stock given on June 19th last, holders thereof desirous of exercising their conversion rights are reminded that notices of conversion of their stock into ordinary shares on October 1st next must reach the registered office of the company, together with the relevant stock certificate or certificates, on or before September 9, 1928. The rate of conversion is one fully-paid ordinary share of £1 for every £3 (nominal value) of stock. Debenture stockholders who do not desire to exercise their conversion rights must surrender their stock certificates or certificates to the company before October 1, 1928, at which date the stock comprised in such certificate or certificates will be redeemed in cash at a premium of 5 per cent., and all interest accrued on such stock to the redemption date will be paid to the stockholder.

OIL OUTPUTS.

ANGLO-ECUADORIAN OILFIELDS, LIMITED.—The production for July is cabled as 11,859 tons.

ATTOCK OIL COMPANY, LIMITED.—Production for July, 24,764 barrels.

BRITISH BURMAH PETROLEUM CO., LIMITED.—The production of crude oil by this company and the Rangoon Oil Co., Limited, for the month of July amounted to 43,795 barrels.

BRITISH CONTROLLED OILFIELDS, LIMITED.—For the week ending August 1, 1928:—Buchivacoa: Production 31,880 barrels; shipments, 16,867 barrels. Trinidad: Production, 6,323 barrels. For week ending August 8, 1928:—Buchivacoa—Production, 32,830 barrels; shipments, 34,918 barrels. Trinidad—Production, 6,386 barrels.

HAMILTON'S OIL CONCESSIONS (ROMANIA), LIMITED.—"Production for month of July, 1928, 4,420 tons, 30,940 barrels; July, 1927, figures, 689 tons, 4,823 barrels."

KERN RIVER OILFIELDS OF CALIFORNIA, LIMITED.—The total production during the month of July amounted to 137,944 barrels, or approximately 19,706 tons.

LOBITOS OILFIELDS, LIMITED.—The production of the Peruvian Company for July is cabled as 26,935 tons.

MEXICAN EAGLE OIL COMPANY, LIMITED.—The production for the week ended July 28, 1928, was 112,000 barrels. For the week ended August 4th, 113,000 barrels.

SERVICE PETROLEUM COMPANY, LIMITED.—Production from the company's Gura Ocneiti oil wells for the week ending July 29th was 2,436 tons (17,052 barrels). For the week ending August 5th 2,486 tons.

STEUA ROMANA COMPANY, BUCHAREST.—The production for the month of July was 54,900 tons.

UNITED BRITISH OILFIELDS OF TRINIDAD, LIMITED.—Production for the week ending Wednesday, August 1st, amounted to 1,417 tons.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday Evening.

Climatic conditions have continued favourable for harvest operations, which are now in full swing, and farmers are actively employed in securing cereal crops. Preliminary estimates indicate a lighter wheat yield than last year, but quality leaves little to be desired. Offerings of native wheat attract moderate attention, but prices weak following the recent sharp decline in imported varieties. In the floating and forward cargo section values pursued an irregular course following fluctuating American advices, but the tendency is easier, and buyers adopt a policy of reserve under pressure of Canadian offerings and large prospective new crop supplies. Steamer of West Australian loading sold 44s 6d. The market for feeding stuffs was also unsettled. Spot and near supplies still command a high premium over distant positions, owing to scanty offerings, but forward quotations weaker, due to a falling off in speculative interest. A Plate steamer August loading sold at 36s 3d per 480 lbs, c.i.f. terms. Wheat irregular. No. 2 Northern Manitoba ex-ship 48s, No. 3 ditto 44s 6d. Vancouver 44s 6d, No. 4 ditto 43s 6d, No. 5 Atlantic 40s, Vancouver 40s 9d. New crop Northern Manitoba October-November No. 1 48s 6d, No. 2 47s 6d, No. 3 45s 6d ex-ship. Rosafé 63 lbs ex-ship to arrive 43s 3d, Baril 62½ lbs 43s 6d, Australian ex-ship 47s per

SECURITY FIRST

ROYAL INSURANCE COMPANY, LIMITED

HEAD OFFICES: LIVERPOOL AND LONDON.

496 lbs. English new 9s 4d to 9s 8d per 112 lbs. Flour steady. London standard grade 37s, town whites 38s, patents 39s to 40s per sack delivered in the Home Counties, with 6d to 1s per sack less for deliveries in the London districts. Of imported, Manitoba patents range from 34s 6d to 37s 6d, Minneapolis 35s to 37s 6d, Australian 34s to 34s 6d ex-store per 280 lbs. Maize firm. Plate landed 47s, ditto new ex-ship to arrive 43s, July-August 37s, August-September 36s 9d ex-ship per 480 lbs. Yellow maize meal 1/12 ex-wharf, white African ex-ship to arrive 49 7s 6d, yellow ditto 49 10s per ton. Barley quiet. Californian ex-store 42s 6d to 60s, Oregon 59s, Chilean Chevalier 58s to 65s, Australian 56s, Smyrna 44s to 50s per 480 lbs. Algerian ex-ship 32s 9d, Egyptian ditto 34s, Persian 33s 6d, Karachi 37s 3d, Plate landed 40s 6d, No. 3 Canadian Western landed 38s 6d, ex-ship 34s 9d per 400 lbs. English new 13s to 16s 3d per 112 lbs. Oats weak. La Plata landed 28s 9d, black Plate landed 27s 3d, No. 2 Canadian Western landed 31s 9d, No. 3 ditto landed 29s 6d, No. 2 Canadian feed landed 28s 6d, Chilean tawny landed 29s 3d, ditto white 33s to 35s landed, German 32s to 33s landed per 320 lbs. English new black and grey 9s to 9s 4d, white 9s 6d to 10s per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1927-28, 1926-27, 1925-26, 1924-25:—

	1927-1928.	1926-1927.	1925-1926.	1924-1925.
Estimated sales of home-grown wheat—				
1 week to August 11.....	Cwts. 64,499	Cwts. 44,781	Cwts. 7,703	Cwts. 137,159
50 weeks to August 11.....	11,018,367	11,751,868	12,837,144	11,438,983
Average price of English wheat per cwt.	s d 10 9	s d 12 6	s d 14 1	s d 11 9

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1924 to 1927:—

Weeks Ended	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1928.						
Aug. 4	Cwts. 86,086	5,364	5,659	s d 10 11	s d 10 9	s d 11 4
Aug. 11	64,499	3,599	5,416	10 9	10 7	11 2
Aug. 9, 1924..	25,652	1,524	5,559	13 1	12 5	10 3
Aug. 8, 1925..	144,253	12,417	18,186	11 10	11 2	10 3
Aug. 14, 1926..	7,703	8,498	30,197	14 1	11 0	9 4
Aug. 13, 1927 ..	44,781	2,416	12,682	12 6	11 8	10 2

AMERICAN WHEAT MARKETS.

Prices have fluctuated more than of late, an advance due to speculative buying being followed by a sharp fall on the publication of the Bureau report. A recovery attributable to improved demand, rumours of export inquiries, and less favourable weather reports has partly given way in face of further good weather.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Pay- ment of Deben- ture Interest.	Amount Avail- able for Distrib- ution.	Appropriation.						Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.	
					Prefce.	Ordinary.	Rate.					
												Amount.	Amount.	Rate.
		£	£	£	£	£	%	£	£	£	%	
Banks.												
Bank of New Zealand	Mar. 31	584,655	890,795	1,475,450	231,250	537,500	14½	124,175	582,525	988,028	14½	
Electric Lighting and Power.												
Kalgoorlie Elec. Power & Light.	Dec. 31	978	5,803	6,781	..	3,000	6	3,000	781	6,726		
Financial, Land, &c.												
Associated London Properties....	June 24§	..	23,443	23,443	..	19,800	7½	..	3,643	..	..	
Iron, Coal, and Steel.												
Henry Briggs, Son and Co.	June 30	51,993	45,394	97,387	..	49,181	7½	..	48,206	89,946	10	
Shops and Stores.												
British Overseas Stores	June 30†	37	33,945	33,982	9,750	24,960	8	Dr 3,000	2,272	..	..	
Waterworks.												
Woking Water and Gas	June 30*	4,940	7,596	12,536	..	6,762	{ 10 7 }	250	5,524	7,521	{ 10 7 }	
Other Companies.												
Edmundson's Electricity Corp. ..	Mar. 31	24,305	125,083	149,388	28,000	40,000	10	42,000	39,388	..	..	
Frederick Braby	June 30	42,098	67,401	109,499	10,150	51,125	15	6,000	42,224	68,885	15	
Goodlass, Wall and Co.	June 30	17,372	52,584	69,956	13,526	22,500	17½	11,120	22,810	53,795	12½	
Manchester Hippodrome and Ard- wick Empire	June 30	55,745	16,300	72,045	..	8,100	10	..	63,945	22,964	10	
Merchants' Warehousing	June 30	14,333	9,724	24,057	..	4,628	11	4,000	15,429	10,820	11	
Morris and Jones	June 30	7,328	43,203	50,531	21,000	14,400	6	5,000	10,131	32,995	5	
Owen and Robinson	May 31	8,450	6,288	14,738	2,100	2,100	6	1,000†	9,538	6,516	6†	
Tebbutt Bros.	June 30	5,025	10,908	15,933	..	8,949	8	..	6,984	6,770	6†	
Wilson Bros. Bobbin Co.	July 15	2,284	14,182	16,466	..	14,250	5	..	2,216	13,232	5	

HARRISONS & CROSFIELD, LTD.
1-4, GREAT TOWER STREET, LONDON, E.C.3.
MANAGING AGENTS OF RUBBER, TEA, AND
OTHER PRODUCE ESTATES.
BRANCHES:
COLOMBO QUILON MEDAN KOBE
CALCUTTA BATAVIA MONTREAL

NEAREST FUTURE.	Jan. 6, 1927.	Aug. 18, 1927.	Jan. 4, 1928.	Aug. 8, 1928.	Aug. 15, 1928.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	133½	145½	137	113½	113½
Chicago (No. 2 Winter)—Cents per 60 lbs	137½	141½	130½	111	111½

Visible supplies of wheat in Canada at 32,545,000 bushels show a decrease of 6,393,000 bushels as compared with the previous figures. Supplies a year ago stood at 25,561,000 bushels.

COAL.

Our Cardiff correspondent writes:—Conditions have been more favourable than for some considerable time past. The recent period of scarcity in the supply of tonnage has been followed unexpectedly by a temporary glut of medium and large-sized vessels, with the result that there have been days when the South Wales docks have been unable to accommodate the shipping available, and when short delays in obtaining berths have been unavoidable. Collieries, consequently, have been fairly well employed, but prices have remained unaltered at the scheduled minimum figures. South Wales has been able to retain the contract of the Egyptian State Railways, notwithstanding the severity of the competition of other districts. Northumberland coal had been offered at about 5s per ton less than Cardiff steam coal, and Yorkshire coal at between 3s 6d and 4s per ton less, but it was announced on Wednesday that the Egyptian authorities had placed a contract for 90,000 tons with T. Beynon and Co. for Cardiff coal on the basis of 27s 1d c.i.f. Alexandria. This is 5d per ton above the price of the expiring contract. Schedule minimum prices are as follows:—Best Admiralties, 19s 3d to 19s 6d; seconds, 19s to 19s 3d; best dries, 18s to 18s 6d; Black Veins, 17s 6d to 17s 9d; Western Valleys, 17s; Eastern Valleys, 16s 7½d to 17s; best small steams, 12s 6d to 12s 9d; cargo smalls, 11s to 11s 6d; coking smalls, 12s 6d to 12s 9d; foundry coke, 27s 6d to 36s, patent fuel, 20s 6d to 22s; pitwood, ex-ship, 28s to 28s 3d; anthracite best large, 32s 6d to 35s 6d; Red Vein large, 20s 6d to 25s; machine-made cobbles, 40s to 43s 6d; French nuts, 40s to 43s 6d; stove nuts, 37s 6d to 39s 6d; rubble culm, 11s 9d to 12s 3d.

Our Sheffield correspondent writes:—South Yorkshire collieries have increased their share of the export trade lately, although a scarcity of tonnage for Mediterranean and Baltic ports is reported. The home trade is weaker but prices are being maintained. Further pits are being closed.

Our Glasgow correspondent writes:—The feature of the coal trade is the sustained strength of all classes of nuts, supplies of which are virtually unobtainable for prompt shipment. Stiff prices are named for fresh business in nuts. Large coal generally is moving off steadily, and prices keep firm. There is an inquiry in the market on Australian account. Shipment prices are approximately as follows (f.o.b. district ports):—Lanarkshire.—Ell best, 14s 3d to 14s 6d; splint best, 17s; splint second, 16s; navigation, 16s 6d; navigation second, 15s; steam, 13s 9d; Hartley, 16s 6d; trebles, 13s 3d; doubles, 13s; singles, 12s; pearls, 11s; dross, 9s 6d to 10s.—Fife.—Screened navigation, 18s; first-class steam, 12s 9d; third-class steam, 11s; trebles, 13s 6d to 14s; doubles, 13s 6d to 13s 9d; singles, 12s 6d; pearls, 11s 3d to 11s 6d. Lothians.—Prime steam, 12s 3d; secondary steam, 11s 9d; trebles, 13s 6d; doubles, 13s 3d; singles, 12s 6d; pearls, 11s 3d. Ayrshire.—Unscreened navigation, 16s 6d; jewel, 15s 6d; steam, 13s 6d; trebles, 13s 6d; doubles, 13s; singles, 12s 3d; pearls, 11s 6d; dross, 10s.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—Since the beginning of August holiday conditions have ruled in the iron and steel trades, and the attendances on the London Iron and Steel Exchange have not been large. Stocks of pig-iron in makers' hands are reported to be increasing in most districts, but prices show little change, as they have already dropped to practically rock-bottom figures. Some improvement is expected in this department in September, when the autumn trade activity usually sets in. The demand for semi-finished steel also has been quieter than of late; but the British works have been able to secure a certain amount of new business, as at their present levels Continental quotations for several descriptions of semi-finished steel are scarcely competitive in some of the inland districts. Most of the large users, however, appear to be well covered for the time being and to be content to watch the market. Some slight shading of Continental prices is reported; but this has not had the effect of stimulating business. Most of the Continental steel manufacturers claim that they have sufficient business on their books to keep them well employed for some weeks to come. Business in finished steel has been irregular, and the volume of trade has diminished compared with that transacted in the latter part of July. The market, however, was unusually active then for the time of year. Overseas consumers, particularly those

PHOTOMATON PARENT CORPORATION LIMITED.

DIRECTORS' STATEMENT OF PROGRESS.

The Directors of Photomaton Parent Corporation Limited beg to announce that since the publication of their last Statement various important transactions then contemplated have been completed, which will have the effect of considerably adding to the available assets and revenue of the Company. These transactions, which have been carried out under strong auspices, include the disposal of a large number of machines in several Continental Countries, including France, Germany, Belgium and Switzerland.

Further important negotiations are now pending in the U.S.A. which, it is anticipated, will be completed in the early autumn, and thereupon it is proposed to publish a statement of the Company's available assets incorporating the profit to be derived from the American negotiations.

The Photomaton machine has been greatly improved, and the new model (which will produce non-reversed photographs) is now practically foolproof, requiring but little supervision. A number of further patents for improvements are being taken out. The profits from the Company's Studios continue to be satisfactory.

Arrangements for the production on a large scale of a new and greatly improved type of enlargement (shortly to be exhibited in all the Studios) are nearing completion. The Directors are of the opinion (based on the experience obtained in the Photomaton Studio, Paris) that these new artistic enlargements, which will be sold at popular prices, will greatly add to the volume of the business and further establish its claim as the modern method for producing high-class Camera Studios unobtainable at the price and in the time elsewhere. The strip with its variety of expressions and poses is regarded more and more as a proof for the larger studies, thus the policy to establish a new and permanent method of photography is being rapidly developed.

The success achieved by Photomaton has had the natural effect of bringing forth imitations of various kinds of a semi-automatic nature. The Directors emphasise that these so-called competitive machines offer no rivalry to the Company's exclusive method of purely automatic photography by the Photomaton process. Should any serious attempt be made to infringe the Company's patents, rigid measures will be employed to safeguard its Patent Rights.

The Directors deem it advisable to give the above information so that Shareholders may know of the satisfactory progress made during the past few months.

in the East, are not now buying so freely; but there is still a fair amount of business passing, and this has enabled producers to hold their prices.

Our Middlesbrough correspondent writes:—Pig-iron: Market conditions are very quiet, and this is probably accentuated by the near approach of the local holidays when the majority of the steelworks will be closed. Cleveland pig-iron still remains 66s for No. 3. Only small sales are reported, and these chiefly to local consumers. East Coast hematite is, if anything, a shade firmer. Owing to the restricted output stocks are not so large and the price is about 69s. It is reported that another furnace at Messrs Dorman Long's Newport works will be put into operation on the production of hematite after the local holidays. The steel trade is expected to improve in the autumn. It is anticipated that there will be further shipbuilding contracts placed shortly. In the meantime prices are unchanged as follows:—Steel ship plates, £8 7s 6d; steel ship angles, £7 17s 6d; iron bars, £10 5s; steel rails, £8 10s. Iron ore: The news from Sweden is better in that a strike settlement is expected on the 23rd inst. Should this materialise work will be resumed at the mines forthwith. Meantime other ores are scarce, and the price of 22s 6d for best rubio is firm. Blast furnace coke is freely offered at about 17s 6d per ton, delivered Middlesbrough, with only very moderate demand.

Our Sheffield correspondent writes:—The placing of orders for basic steel with British makers continues to increase steadily as the margin between foreign and home prices diminishes. There is no sign, however, of any falling off in the import of wire rods. Imports of iron and steel materials in July were only slightly below the June level, and there was a small drop in the exports last month. The call for acid steel continues slack, and the general position of the local industries is much the same as before the holidays. The poverty of inquiries suggests a continuance of existing conditions for several weeks at least, but there are hopes of a revival during September. Isolated instances of improvement are reported. The pig-iron position has lost no further ground, and the outlook is believed to be rather more favourable. Difficulties in the coal industry are responsible for a good deal of the weakness of the iron and steel branch. The building of privately owned wagons is almost at a standstill, and the railway companies are delaying the deliveries of steel material as provided for in their contracts. The electrical engineering branch continues to expand. Tool steel, tools and cutlery are maintaining former levels in the overseas markets, but the home demand is exceptionally poor and prices are unsatisfactory. Except for colliery purposes home and export business in wire ropes is fairly active. Competition is so keen, however, between the associated makers and outside firms that this trade has become unremunerative. The market for steel scrap is weaker following reduced exports to Germany and Poland. The basic steel works in Lincolnshire are moderately employed. Unemployment in the Sheffield area has undergone little change for several months.

Our Glasgow correspondent writes:—There are indications that business is on the up grade. In the pig-iron market there is no alteration in the number of furnaces in blast, and the output is still in excess of requirements, while prices are low. In the heavy steel trades manufacturers report a slightly increased demand, and, although the new co-operative selling policy has hardly had time to make its influence felt, they are hopeful that it will lead to a considerable increase in the volume of export trade. Makers of re-rolled steel bars are finding Continental competition less keen, and have secured some fair contracts within the past week. There has been a noticeable increase in this district in the demand for articles made of wrought iron in place of steel. Structural engineers, tube makers and sheet makers are all busy. Both black and galvanised sheet makers have now sufficient work on hand to keep them well employed towards the end of this year. Prices have advanced slightly, the price of black sheets ½ inch being £8 15s delivered locally, and for 24-gauge galvanised and corrugated £13 10s minimum for 24 gauge f.o.b.

Our Cardiff correspondent writes:—The stoppage during August Bank Holiday week has restricted supplies, but prices of tinplates are nominally unaltered at 18s to 18s 3d per basis box, and those of galvanised sheets at from £13 7s 6d to £13 10s. Foreign steel bars have been a shade firmer at from £5 5s to £5 7s 6d, as compared with £5 5s the previous week, but the minimum price for Welsh tinplate bars has been maintained at £6. Shipments of tinplates last week were slightly less than in the previous week, but exports of all iron and steel goods from the South Wales ports showed an improvement of over 1,000 tons. Recently, however, there has been a heavy increase in the deliveries of foreign blooms, billets, and bars, the total tonnage of these materials discharged at South Wales ports in the week ended August 10th amounting to over 11,000 tons, compared with 7,000 tons the previous week.

OTHER METALS.

TIN.—The market for tin developed weaker features, and prices declined on some pressure to sell combined with lower Eastern and American cables, moderate dealings being attended by slight irregularity. The closing tone was firm, however, for near positions. Stocks in London and Liverpool warehouses for week ending August 11th amounted to 2,652 tons, compared with 1,020 tons at same period last year. Standard cash sold at £214 10s to £213 and £213 15s, three months £212 to £209 17s 6d. Sales in the East were reported at £216 to £213 10s, c.i.f. terms.

COPPER in poor support, but holders refrained from pressing

and tone steady. Standard cash sold at £62 10s to £62 8s 9d, three months' £62 18s 9d.

LEAD firmer with active dealings. Good soft foreign pig, August, sold £21 7s 6d to £22, September £21 7s 6d to £21 18s 9d, October £21 7s 6d to £22, November £21 10s to £21 17s 6d, December £21 7s 6d to £21 17s 6d.

SPELTER in fair demand and market firm. August sold £24 7s 6d to £24 12s 6d, September £24 13s 9d to £24 16s 3d, October £24 13s 9d to £24 17s 6d, November £24 12s 6d to £24 17s 6d, December £24 15s to £24 16s 3d.

ALUMINIUM steady. Ingots and bars for home delivery quoted

£95.

ANTIMONY quiet. English regulus, spot, £59 10s to £60, foreign, spot, £39 to £39 10s., August-September shipment £37 ton.

QUICKSILVER steady. Spot £23 per bottle.

TIN PLATES maintained. I.C. coke, prompt and forward, 18s to 18s 3d per box, f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, Aug. 15, 1928.

The Bureau report published on Wednesday evening last gave the figures of production 14,291,000, condition 67.9, yield per acre 152.2, and ginned 87,888. These were much below general expectations and prices advanced 69 points, but the gain was quickly lost on renewed selling, and prices were forced down to 9.43 for October and 9.42 for January on the 13th. Weather reports have changed somewhat, and scattered parts of the belt are now complaining of some damage to the crop by weevil, worm, and shedding. So far very little damage has been done, but the crop has still to go through a very critical period. To-day prices closed about 39 points higher than the lowest touched, but are about 18 points lower than the 4 p.m. close on the previous Wednesday. Spot sales for the week 9th to 15th (inclusive) were 28,000 bales, of which 18,380 bales were American, 360 Brazil, 3,750 Peru, 3,450 Egyptian, 270 African, 1,650 East Indian, and 140 sundries. Imports for the same period were 42,619 bales, of which 8,717 were American, 2,733 Brazil, 13,198 Peru, 374 Egyptian, 2,735 African, 14,315 East Indian, and 547 sundries. Quotations to-day are American middling, 10.51d; Egyptian sakel, 18.30d; Egyptian uppers, 12.80d; Brazil fair, 10.81d; Peru G.F. mod-rough, 11.35d; Peru G.F. smooth, 11.56d; West African middling, 10.41d; and East African G.F., 13.70d.

MANCHESTER, Aug. 15, 1928.

During the last day or two inquiry has expanded, and some spinners and manufacturers have booked more orders. Prices are on a more attractive level than for a long time back, and buyers do not want to miss the opportunity of purchasing on favourable terms. Cloth inquiry for India has increased, and more orders have been booked for Calcutta and Bombay in light bleaching descriptions and printing cloths. News from China continues rather poor, and orders worth mentioning have been few and far between. Miscellaneous goods have been in better request for South America, certain African outlets and the Continent, but demand for the Near East still lags behind. Quotations in American and Egyptian yarns have been steadier. Although operations have been patchy the turnover has been better than recently.

Comparative Statement of the Cotton Trade.

	1928.				Corresp'd g. Date.	
	July 25.	Aug. 1.	Aug. 8.	Aug. 15.	1926.	1927.
Raw Cotton—Mid. American	11.54	11.12	10.72	10.51	10.30	9.26
— Sakellaridis Fully Good Fair	19.45	18.95	18.50	18.30	17.10	17.00
— Egyptian	16½	16½	16½	16½	16½	15½
Yarns—32's twist	17	16½	16½	16½	16½	16
— 40's twist	23½	23	23	23	23½	23
— 50's twist (Egyptian)	23½	23	23	23	23½	23
32-in. Printers, 116 yds, 16 by 16, 32's and 50's ..	26 3	25 0	25 6	25 0	25 3	25 0
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's ..	29 3	29 0	28 9	28 6	28 3	27 9
38-in. ditto, 38 yds, 18 by 18, 10 lbs	15 7½	15 6	15 4½	15 4	15 14	15 1½
39-in. ditto, 37½ yds, 16 by 15, 8½ lbs	14 6	14 3	14 1½	14 0	14 1½	14 4

THE WOOL TRADE.

Our Bradford correspondent writes:—No material change can be expected until after the holiday period, but it is hoped that next month business will again be possible on more normal lines. In the absence of anything approaching bulk buying there is not enough business passing to test quotations, and both tops and yarns are largely nominal, though the latter are more susceptible to pressure than are tops. Some fairly large stocks of yarns have accumulated in spite of short-time running in the mills, and pressure to sell has caused great irregularity in prices. Top-makers are seeking business, but are less inclined to accept the very low offers made by spinners, evidently believing that it will pay them best to wait for the market to recover from the rather prolonged spell of depression. They also feel that while raw material values may ease later in the year there is not much prospect of so pronounced a decline in wool as to bring in tops at the prices which spinners seem to regard as a workable basis. The output of tops has been very restricted for some time past, and it is generally believed that stocks are not unduly heavy for

5% TREASURY BONDS, 1933-1935.

Interest payable half-yearly on the 1st February and the 1st August.

ISSUE OF £35,000,000 BONDS BY TENDER MINIMUM PRICE £101 PER CENT.

A First Interest payment of £2 2s. per £100 Bond will be made on the 1st February, 1929.

This Loan is an investment authorised by "The Trustee Act, 1925," subject as regards securities payable to bearer to the provisions of section 7 of that Act.

The Governor and Company of the Bank of England give notice that they are authorised to receive tenders for the above-mentioned Bonds to be created by the Lords Commissioners of His Majesty's Treasury.

The Principal and Interest of the Bonds will be a charge on the Consolidated Fund of the United Kingdom.

If not previously redeemed, the Bonds will be repaid at par on the 1st February, 1935, but His Majesty's Government reserve to themselves the right to redeem the Bonds at par at any time on or after the 1st February, 1933, on three months' notice being given in the *London Gazette*.

The Bonds will be issued in denominations of £50, £100, £200, £500, £1,000 and £5,000.

The Bonds may be registered, free of cost, in the books of the Bank of England, as

1. "Transferable in the Bank Transfer Books," or

2. "Transferable by Deed";

Holdings of Registered Bonds, which will be transferable in any sums which are multiples of one penny, may be reconverted at any time in whole or in part (in multiples of £50) into Bonds to Bearer with coupons attached.

Interest will be paid half-yearly on the 1st February and the 1st August. A first payment of £2 2s. per £100 will be made on the 1st February, 1929. Dividend warrants for interest on Registered Holdings will be forwarded by post; Income Tax will be deducted at the source from dividends of more than £5 per annum. Interest on Bonds to Bearer will be paid by coupon.

Powers of Attorney, Transfers and Bonds to Bearer will be free of Stamp Duty.

This issue will not be regarded as a "Loan issued for the purposes of the present war" within the meaning of Rule 3, Schedule C, of the Income Tax Act, 1918.

Until the 2nd January, 1929, 5 per cent. Treasury Bonds issued under this Prospectus will be designated 5 per cent. Treasury Bonds "B" but on that date will be amalgamated with 5 per cent. Treasury Bonds, 1933-1935, issued under the Prospectus of the 22nd December, 1927. Holders may therefore convert their holdings, in whole or in part, into 4 per cent. Consolidated Loan during the period 16th January to the 31st January 1929, both dates inclusive, at the rate of £114 10s. Consolidated Loan for each £100 nominal 5 per cent. Treasury Bonds surrendered; interest on the Treasury Bonds converted will cease on the 1st February, 1929, and six months' interest on the 4 per cent. Consolidated Loan will be paid on the 1st August, 1929.

Tenders must be delivered at the Chief Cashier's Office, Bank of England, before 1 o'clock on Thursday, the 23rd August, 1928, and a deposit of 25 per cent. upon the nominal amount of the Bonds tendered for must be paid at the time of the delivery of the tender; the deposit must not be enclosed in the tender.

Where no allotment is made, the deposit will be returned in full; in the case of partial allotment the sum deposited in excess of 25 per cent. upon the amount of Bonds allotted will be returned.

Tenders must be for sums of £10,000 or multiples thereof. Each Tender must state what amount of money will be given for each £100 Bond. The minimum price, below which no tender will be accepted, has been fixed at £101 per £100 Bond. All tenders must be at prices which are multiples of sixpence.

Tenders at the lowest price accepted may be subject to a pro rata diminution. The Lords Commissioners of His Majesty's Treasury reserve the right of rejecting any tenders.

Tenderers will be notified forthwith of the result of their tenders. In the case of accepted tenders, the balance of the money to be provided will be due for payment on Saturday, the 1st September, 1928. Payment of this sum may, however, be postponed (without notice to the Bank) until any day up to and including Friday, the 7th September, 1928, on payment in addition of interest at the rate of 5 per cent. per annum upon the said sum as from the 1st September, 1928. Failure to pay on or before the 7th September, 1928, the balance due in respect of an allotment, together with any interest payable thereon, will render the deposit liable to forfeiture and the allotment to cancellation.

Bond Certificates to Bearer, with Coupon attached for the interest payable on the 1st February, 1929, will be issued in exchange for fully paid Allotment Letters. These Bond Certificates may be registered; or they may be exchanged after 1st January, 1929, for Bonds to Bearer.

A Commission of 2s. 6d. per £100 nominal will be paid to Bankers and Stockbrokers on allotments made in respect of tenders bearing their stamp.

Tenders must be made upon the printed forms which may be obtained at the Bank of England; at any of the Branches of the Bank; of Messrs. Mullens, Marshall, Steer, Lawford & Co., 13, George Street, Mansion House, E.C.4; and at any Stock Exchange in the United Kingdom.

Bank of England, London.

16th August, 1928.

OVER ONE HUNDRED YEARS OF SERVICE.
**SCOTTISH UNION & NATIONAL
INSURANCE COMPANY.**
ASSETS - £14,500,000
FIRE. LIFE. ACCIDENT. MARINE.
Edinburgh: 35, St. Andrew Square.
London: 5, Walbrook, E.C.4 and 4, St. James's Street, S.W.1.

the time of year. The curtailment in the combing industry has also restricted the production of noils; indeed, lessened output is in evidence in all sections. The piece goods trade is quiet and unchanged.

COLONIAL WOOL. (FROM A CORRESPONDENT.)

The conferences held last Monday and Tuesday between Empire pastoralists and leading members of the Bradford wool trade were of no little importance. Matters were discussed which affect both the growing and using ends of the trade. Mr W. Hunter, president of the British Wool Federation, spoke in very definite terms upon the necessity of more reliable estimates of wool production being provided. No forecast can reasonably be expected to be more than approximately correct, but there is no doubt that the trade has been involved in considerable financial loss in consequence of accepting the estimates made about 12 months ago that there would be a decrease of 300,000 bales in the Australian clip. When the wool year ended last June 30th Dalgety and Co., Limited, cabled to the effect that the Australian production would be 2,673,000 bales, a decrease of only 39,438 bales. Everyone agrees that the acceptance of the original estimate that the shortage would be 300,000 bales was influential in bringing about the rise in wool values. Unfortunately the dearest wool was bought during the last three months of the season by the home trade, and considerable weights are still held, owners being faced with an almost certain loss of practically 3d per pound. Buyers of manufactured goods have fought tenaciously against paying any higher prices, and there is not likely to be any chance of holders of wool getting back their own. A mistake was made early in the year in not revising estimates when it was seen that the shrinkage in the clip would not be anything like as much as had been stated. Among the other matters discussed at the conference was the increasing use of artificial silk and the extent of its interference with the consumption of wool. There is a distinct variation of opinion in the trade on this point. Artificial silk is being largely used with wool in the production of many fabrics, but it has very seriously interfered with the trade in single botany yarns which were largely used for ladies' hose. We have yet to discover the avenue of consumption which has compensated for this loss.

THE JUTE TRADE.

Raw jute prices are well maintained, despite the fact that there is not much buying being done by consumers. Estimates by private firms as to the extent of the jute crop for the present season range from 9,000,000 to 9,700,000 bales, and it would appear that a supply of slightly less than the world's requirements of about 10,000,000 bales may be expected. The official forecast will be issued on September 18th. So far, consumers have not purchased their supply of fibre for the present season to anything like the same extent as usual at this period of the season. They consider that prices are too high, and, besides, the majority of spinners have good stocks to last for several months. Sellers are not anxious to offer much jute to this centre, where prices are very irregularly quoted. For good First Marks from £40 5s to £41 10s is named, and the value of Lightnings is anything from £38 10s to £39 5s, August-September. The greatest irregularity is shown in Daisee fibre. For assortment from £36 15s to £37 10s is wanted, and from £35 15s to £37 for threes, with Daisee-4 offered at £33 5s to £33 10s, September-October. There are sellers of new crop Tossa assortment at £39, and threes at £38 10s, September-October.

Little business is being done in jute yarns, but always sufficient to prove that the rates of spinners are very firmly held. Nothing less than 3s 10d would be accepted for common 8-lb cops and 3s 11d for 8-lb spools, at which small quantities are selling. Twist is firm at 6d to 6½d for 3-ply 8-lb, and sacking yarns are even tending dearer at 4½d for 24-lb weight and 6d now lowest for 8-lb chains. Rove is quiet, but firm at £29 10s for 48-lb and £19 10s for 200-lb. Carpet descriptions are slow at 5½d to 5½d for 14-lb warp.

A moderate trade is being concluded in hessian cloth at firm prices. The River Plate has again purchased some lots of 10-oz 40-in for November delivery at 4½d. Manufacturers are busy, and the looms are fully engaged. For 10½-oz 40-in from 6d to 6½d is asked, according to width and weight and period of delivery. Linoleum hessian buyers are completely out of the market meantime. Heavy goods prices have been raised, which is restricting business in sacking, bagging, and tarpauling.

HIDE, LEATHER, AND ALLIED TRADES.

The demand for market hides remains good, and supplies are taken as they come along. No sales were held last week, owing to the holidays, so that values are unchanged. Calfskins are still dear, and as chrome tanners and others are eager for supplies prices promise to advance in the near future. The trade passing

in oversea hides is quiet, and the fluctuation in price of late is against any demand on the part of tanners until stability is reached. The tone of the South American market is uncertain, but slightly firmer, and best Argentine fregorifics have sold this week on a basis of 11½d for best ox, light selection making up to 12½d. Seladero hides are not wanted for the time being, and a cargo of Leibig's has been held up at Liverpool pending a better demand on the part of buyers. B.A. Americanos are steady, and 18½d has been paid by German buyers. Cape hides are in good request, and as supplies are rather small, best drysalted are selling from 15½d to 16½d, drys making as high as 18½d. There has been a reaction in Australian hides after the decline, and 15½d has been paid for Queensland Meatworks hides. The Chicago hide market is steady, with 23½ cents asked for best heavy steers.

As shoe factories are not yet in full swing after the holidays, orders for leather have been small. Tanners, however, report sufficient business to keep stocks low, and refuse to book ahead except at asking prices. Light dry hide bends are still wanted by shoe manufacturers, who are also asking for pinned offal in the better sorts. The export demand remains good, although the import of foreign sole leather shows an increase. There has been little doing in repairing bends this week, but this may be attributed to the fine weather and to the fact that many people are on holiday.

Sellers of dressed leather report trade as slow. Box and willow are being sampled freely, however, whilst there seems a return to favour of black glaci. Curriers are fairly well employed, and most of them are working on semi-chrome kip, wax butts, and lining leathers.

Opinions differ as to the clearance made of shoes prior to the holidays, but as orders are drifting in to factors from retailers it seems safe to assume a fair quantity was bought by the holiday public.

VEGETABLE OILS AND OILSEEDS.

Markets generally have a very quiet tone, and very little business appears to be passing. On lower seed values and poor demand from consumers, linseed oil is barely steady around £27 15s per ton naked ex-Hull mill on spot and delivery to the end of December. Cotton oils are inactive, and prices have further eased, crude Egyptian now offering at £29, technical refined at £33, and common edible at £33 10s, all ex-Hull. Other soft oils are inclined to be lower in sympathy.

In the oilseed section linseed is in slow request, and values are decidedly easier. Plate is worth about £15 5s on the spot and in near positions, and £15 6s 3d has been accepted for October-November to Hull. Calcutta to London is nominally £17 12s 6d afloat and early shipment. The quantity of linseed on passage to Europe has increased to 195,800 tons, or 23,600 tons more than in the previous week, and comparing with 166,300 tons a year ago. Trade in Egyptian cottonseed is within narrow limits, and old crop black is £10 5s on the spot and £10 7s 6d September, while business in new crop for October loading is reported at £10 5s. The demand for oilcakes is very quiet, and cotton cakes are easier.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—With marked broadening of demand both on grocery and manufacturing account, general stability characterised the market. Messrs Tate and Lyle advanced quotations 3d, making cubes 29s 4½d to 29s 10½d; granulated, No. 2, also London and T.L., 26s 9d; ditto, month forward, 26s 7½d; yellow crystals, spot, 25s 3d; A caster, 31s; B, 28s 10½d. Other sugars also met a free movement. Dutch J granulated, spot, London, sold, 25s 10½d to 26s; T.L., 25s 10½d to 26s 10½d; German, 25s 6d to 25s 7½d; white Mauritius, 24s 3d to 24s 9d, as to quality. Czecho granulated, August, quoted 14s 7½d; November-December, 13s 9d, f.o.b., Hamburg. Dutch J, August, 14s 3d; November-December, 13s 9d, f.o.b., Rotterdam. Polish crystals, August, 14s 3d; November-December, 13s 6d, f.o.b., Danzig. White Mauritius, September-October, London, 17s, c.i.f. White Java, October-December, 12s 10½d; and January-March, to Calcutta, 13s, c. and f. Foreign 96 per cent. centrifugal, August, quoted, 11s 9d; preferential, 15s 6d; and Continental, 88 per cent. beet, November-December, 11s 4½d, c.i.f., U.K. Cuban receipts last week, 33,130 tons, against 69,430 last year; exports, 74,100, against 107,340; stocks, 940,640, against 911,480. White terminal active and higher. August, sold, 13s 11½d to 14s 3d; October, 14s; December, 14s 2½d to 14s 6d; March, 14s 4½d, 14s 7½d, 14s 6½d, 14s 9d; May, 14s 8½d, 14s 9½d, 14s 9d, and 15s. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending August 11th amounted to 105,006 tons compared with 72,002 tons at same time last year. Imports into the U.K. during last month amounted to 140,018 tons against 76,270 same time last year; consumption 215,461 against 151,427; stocks 209,200 against 286,750 and stocks of home-grown 11,850 against 500. Shipments from Java during last month were 262,200 tons against 290,000 last year. The chief items were British India 80,000 tons, against 79,000 tons in 1927. Japan 47,000 tons against 72,000 tons last year. Hong Kong 32,000 tons against 25,000 tons a year ago. Shanghai 38,000 tons against 34,000 tons in 1927.

COFFEE.—A steady tone governed the market, but all attention was bestowed upon the finer liquoring qualities. High prices were made for mountain-grown Jamaica, bold sizes selling at 188s to 230s 6d; pile sizes, 165s 6d to 218s 6d. Belgian Congo, sold, 137s 6d.

COCOA.—In auction, Trinidad ruled lower, and of 1,000 bags offered, half sold, good red, 65s; fine, 68s. 100 bags Ceylon, sold 109s to 112s, and 200 bags W. C. African, 64s. 1,073 bags Fernando

Po bought in. Accra F/F, November-January, quoted, 51s 9d, f.o.b. Terminal market has been irregular. September delivery, sold, 56s 9d to 57s 3d and 57s; October, 56s 9d; December, 56s 6d to 57s 3d; March, 55s 6d to 56s 9d.

TEA.—In six auctions during the week, 31,654 packages Indian were brought forward. Good to fine liquoring teas met a brisk demand at mostly steady prices, but common ruled weaker. Travancore in particular showed depression, most parcels being from 4d to 1½d down. Ceylon offerings totalled 35,426 packages, and here again all teas showing flavour in the cup were readily saleable at firm rates, but common and thin liquoring kinds declined 4d to 4½d lb. There is more attention now given to new season's China, and market is quite steady. Java sales ruled steady to slightly easier.

RICE.—Market unaltered, with complete inertia the distinguishing characteristic so far as the European side of the commodity is concerned. Two stars Rangoon, August-September, London, sellers, 12s 9d; Spanish oiled, spot, London, 19s 6d; two stars, Rangoon, ditto, 13s 9d; Spanish, September-October, 17s 3d; Italian, 16s 9d cwt, c.i.f.

BEANS.—Market firm for all descriptions in general, but Madagascar butters in particular. Butters, spot, London, range from 22s to 26s, as to sample. Rangoon haricots, quoted 17s 6d; forward, 19s. Otenashi, October-November, 23s 6d cwt, c.i.f., London.

PEAS.—Steady, quiet. Japanese, spot, 23s to 23s 3d; afloat, 22s 9d; September-October, 21s 1½d, c.i.f., London. Dutch blue, 22s to 24s, f.o.b., as to sample. Tasmanian blue, afloat, sellers, 20s 6d, c.i.f., London. Poor demand for Maples and No. 1 New Zealand; August-September, held for 65s 6d, f.a.q.; 62s 6d per 504 lbs, c.i.f., London.

SPICE.—Sellers of pepper reserved and forward positions moved up in price, as buyers were prominent. August-October is still the counter of the market, and business done in Lampong at 1s 0½d; Muntok, 1s 7½d. Cloves idle. Zanzibar, spot, 1s; August-October, 1s; October-October, 11½d per lb. Pimento unaltered. Dutch Farina quoted 14s, f.o.b. No change in the market for tapioca, with a fair demand for Banthong Java to the U.K. Sago flour, near, 11s; forward, 11s 3d to 11s 4½d, as to position. American starch powder Corona, August-September, 15s 6d per cwt, c.i.f., U.K. Ginger dull, unaltered.

FRUIT (Dried).—Currants firm, but quiet. Pyrgos, quoted 51s; Patras, 52s to 53s; Amalias, 51s 6d to 52s; Gulf, 54s 6d to 56s; Vostizza, 60s. Sultanias slow, apart from some business in low-priced Australian. Smyrna, common to medium, 38s to 55s; good to fine, 56s to 62s; Cretan, 48s to 65s; Australian, new ranges, from 48s to 110s; Californian, bleached, 38s to 42s; Sept.-October, 21s 9d; soda bleached, 28s, c.i.f.; Cape, 40s to 45s; bleached, 46s to 55s. Raisins inactive. Valencia quarter boxes range from 33s to 38s; Australian Lexias, 40s to 45s; Cape, 37s to 45s. Figs inactive. Genuine spot, 25s to 30s, for shipment first half September, 23s; September, 21s to 22s, c.i.f. Dates: Business passing in new crop. First tide, Hallowee, 22s 6d; Siar, 14s; with Khedrowie held for 18s, landed terms, London. Evaporated fruits: In moderate request, and general position unaltered. Californian pears, extra choice, 85s; fancy, 95s 6d. Apricots, royals, new crop, best, 117s 6d; second, 90s; third, 75s; Cape, new, second grade, 80s; third, 70s; Australian, 85s to 110s. Californian peaches, choice, 58s; extra choice, 63s; fancy, 67s 6d. Plums: Californian, small sizes range from 30s to 34s; and larger, 43s to 62s 6d. Apples: Californian, spot, sliced, extra choice, 110s per cwt. Almonds in light supply and held for full rates. Apricot kernels: Indian sweet, spot, 100s; September-October, 100s, c.i.f. China, bitter, spot, 52s 6d; shipment, 56s, c.i.f. Hazel kernels: Kerasunde, spot, 87s 6d; Barcelona, 92s 6d per cwt.

CANNED GOODS.

CANNED FRUITS.—Californian descriptions ruled steady, with a fair trade passing. Pears continue in light supply, and command full rates, while apricots are selling under new pack prices as the yield this year is not so favourable. New crop peaches are also quoted above spot parity. Australian fruits sell readily at current rates. Singapore pines move off quietly, both spot and shipment, but Hawaiian held for full rates. Italian tomatoes in quiet request, and prices unaltered regarding new pack.

CANNED FISH.—Sardines steady. Portuguese clubs quoted 5s. Salmon quiet on spot, but a good business reported in new pack. Red tails, spot, quoted, 47s to 50s; pink tails nominal, and halves sell at 33s to 35s. Lobsters quietly steady at 140s to 145s for halves, and 77s 6d to 82s 6d quarters. Japanese crab maintained, best quality quoted 92s 6d to 95s, but forward business restricted.

CANNED MEATS.—Quiet for all descriptions, and late rates repeated in most instances.

CONDENSED MILK AND MILK POWDERS.—Milk: Full cream sweetened, English, spot, 45s; Dutch, 41s; August, 42s 6d; September, 43s 6d. Machine skimmed sweetened, English, spot, 27s 6d; Dutch, 26s; August, 26s 9d; September, 27s 6d; all in 5 cwt barrels. Powders: Spray, F.C., 26 per cent., 2 by 56 lb tins, prompt shipment, 96s; Spray, M.S. (1 cwt cases), 49s; Roller, F.C., 26 per cent., 83s; M.S., 42s, all nett, duty paid, ex-wharf, London. On the grocery side, F.C.S., 20s 6d; M.S.S., 12s, basis per case, usual packing.

HONEY.—Quiet. New Zealand, 58s to 88s, as to quality; Jamaica, 32s to 45s; San Domingo, 32s 6d to 50s; Haiti, 31s to 47s 6d cwt.

RUBBER.

Business pursued a decidedly quiet course, and fractional weakness was observable. Landings in London during the week are calculated to be on the small side, and according to movements now in force from wharves, stocks on Monday next should show a substantial decline. Plantation sheet, spot and August, sold, 9½d; September, 9½d; October-December, 9½d; January-March, at 9½d 1 lb. London landings last week, 1,036 tons; deliveries, 1,681; and stocks, 33,649, against 64,579 last year; decrease on week, 645 tons.

is found in the fact that some brokers were having to sell September bills at rates of $4\frac{1}{2}$ per cent. On Thursday conditions relaxed from their mid-week stringency.

The discount market was quiet. Some foreign buying was apparent, but this did not exceed the volume to which the market has lately become accustomed. Market rate on three months' Bank bills was a firm $4\frac{1}{2}$ per cent., and it seems likely that the stabilisation of the rate at this point will prove successful.

	Aug. 23, 1928.	Aug. 16, 1928.	Aug. 9, 1928.	Aug. 2, 1928.	Previous Rate and Date Changed.
Bank Rate	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$\frac{5}{8}$ (Apr. 21, '27)
Banks' Deposit Rate	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$\frac{3}{4}$ (Apr. 21, '27)
Discount (Call)	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$\frac{3}{4}$ (Apr. 21, '27)
Houses (Notice)	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$\frac{3}{4}$ (Apr. 21, '27)
Market rate (3 months' bills)	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	..

The Bank return reveals an increase of £675,632 in the stock of coin and bullion. As the circulation has fallen by £873,550, the reserve has increased by £1,549,182. The proportion of reserve to liabilities has risen by $1\frac{1}{2}$ per cent. Public Deposits have increased by £3,532,019, while Other Deposits have fallen by £4,731,886. Government securities have fallen by £702,578, and Other securities by £1,988,147. Currency notes were reduced by £873,000 to £294,704,400, which includes £1,250,600 for notes called in but not yet cancelled. The fiduciary issue is £237,203,800, or £7,731,300 below the maximum for 1928.

NEW YORK MARKETS.

Our New York correspondent cables:—The share market is buoyant in the belief that money rates are unlikely to become much firmer, other cheerful factors being favourable reports of the trend of business and the absence of indications of interference by the Federal Reserve authorities. The latest Federal Reserve statement shows little change in important items, except for a moderate increase in discounts in New York and a loss of gold, reflecting the beginning of a movement to the interior for the handling of the crops. The total volume of Federal Reserve credit is slightly greater, the reserve ratio being 69.6 per cent., against 69.7. The Bureau of Labour commodity price index is $\frac{3}{4}$ per cent. higher at 98.3, and is $4\frac{1}{2}$ per cent. above the level of a year ago. The principal rise has taken place in food and farm products.

THE STOCK MARKETS.

Some degree of irregularity has developed this week in the stock markets, where once again business has been on a very restricted scale. The gilt-edged market received the terms and result of the Treasury bond issue with satisfaction, and long-dated stocks were firm until Wednesday, when monetary tightening caused a setback. Home Rails also showed early improvement, followed by reaction on Thursday. The foreign bond section was idle, and in the industrial market there was less business, although a few favourites still attracted attention. In the oil share market there was a slight reaction on profit-taking; and rubbers remained firm in spite of absence of business. The mining markets were irregular, with the Kaafir section dull.

THE COMMODITY MARKETS.

Business in many markets is showing signs of a revival after the holidays. Wheat prices are still lower as the result of further good crop reports and the beginning of an excellent harvest. The coal situation is scarcely changed and the pig-iron position is a little worse, but some classes of steel and steel products are in slightly improved demand, Sheffield manufacturers in some cases reporting satisfactory orders. Other metals, with the exception of tin, are steady. Trade in cotton piece goods, though still quiet, is more promising, but there is little sign of revival in the Bradford wool industry. The soft timber market is better than it was a month ago, but there has been less progress in the hardwood trade. Hides, leather and boots and shoes

are all selling better. There is little change in vegetable oils and oilseeds. Rubber is weaker, and some selling pressure has lately been apparent.

FOREIGN EXCHANGES.

The foreign exchange market continued quiet during the week, turnover remaining on the small side. Sterling on New York closed at 4.85 $\frac{1}{2}$, being but little changed on balance from last week. On Friday last, however, there was a temporary reaction to 4.85 17-32. This appears to have been due to easy call money in New York caused by the entry of the Federal Reserve authorities into the market to purchase bills. This action on the part of the Federal Reserve authorities, which is construed in some quarters as a hint that present money rates are high enough as far as trade and industry are concerned, is discussed elsewhere by our New York correspondent. Canada moved slightly in favour of sterling to 4.85 $\frac{1}{2}$. Both American and Canadian forward dollars were unchanged from last week. Paris improved on Saturday last to 124.15, but a further depreciation set in towards the close, which was 124.25. Forward francs, after being 3 cents and 10 cents premium respectively, closed 5 cents and 14 cents for the one and three months' periods. Both spot and forward Brussels remained unchanged. Amsterdam continued to move in favour of sterling at 12.10 $\frac{3}{8}$, with forward at $\frac{1}{2}$ cent and $\frac{3}{8}$ cent discount. Madrid declined further to 29.30, with forward pesetas in continued demand at 6 centavos and 17 centavos premium for one and three months respectively. Milan improved to 92.67, as against 92.80 last week, the forwards moving out to discounts of 7 centesimi and 20 centesimi for one and three months. The steadily improving tendency of Switzerland continued, the close being 25.20. Only fractional movements occurred in the Scandinavian exchanges. Berlin further depreciated to 20.37, forwards being 3 $\frac{1}{2}$ pfennigs discount for one month and 9 pfennigs for three months. Rupees continued in demand at 15 5 61-64d, reports from India indicating that the internal loan of 35 crores had been fully subscribed. This is regarded as a distinct success, especially by comparison with the loan last year and in view of the fact that it is the largest loan ever issued in India. The Japanese yen showed distinct easiness in the early part of the week, business being recorded at 15 10 $\frac{1}{2}$ d on Friday last; a recovery to 15 10 $\frac{3}{8}$ d, however, occurred at the close. Among the South American exchanges, Buenos Aires weakened to 47 $\frac{3}{8}$. Lisbon was 107 $\frac{3}{8}$ and Batavia 12.11 $\frac{1}{2}$. Turkey moved back to 94 $\frac{1}{2}$. Hong Kong was 2s 0 $\frac{1}{2}$ d and Shanghai 2s 8 $\frac{1}{2}$ d. Other rates were unchanged. After small movements silver closed slightly better than last week at 27 $\frac{3}{8}$ d for spot and 27 $\frac{1}{8}$ d for forward delivery.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended August 18, 1928:—

(000's omitted.)			
EXPENDITURE.	£	RECEIPTS.	£
Supply Services	6,900	From Revenue	15,918
Interest, &c., on Debt	793	Decrease in Balances	62
Sinking Fund	516		
Decrease in Debt	5,777		
	13,980		15,980

The ordinary revenue for the week amounted to £13,918,300, as compared with £19,812,500 in the corresponding week last year. Property and income-tax was lower at £2,367,000, against £3,782,000, and super-tax at £130,000, against £230,000. Estate duties brought in £1,150,000, as compared with £4,330,000, while Customs amounted to £1,706,000, against £1,734,000, and Excise to £7,722,000, against £7,279,000. Ordinary receipts were lower at £208,100, as compared with £2,355,000. The national debt was reduced by £5,777,000, as shown below.

(000's omitted.)			
	£		£
Public Department Advances	6,650	Treasury Bills	925
National Savings Certificates	50		
	6,700		925

The floating debt was reduced by £5,745,000 to £760,570,000.

FINANCIAL YEAR, 1928-29, April 1 to August 18, 1928.

£	£
Expenditure	292,434,037
Revenue	211,486,052
Amount borrowed ..	77,350,633
Decrease in balances ..	3,597,352
	292,434,037
Total	292,434,037

ESTIMATES (New Basis), 1928-29.

£	£
Expenditure	676,581,000
Sinking Fund	65,000,000
Surplus	14,502,000
	756,083,000
Revenue	756,083,000

* Includes £13,200,000 from Currency Notes Assets.

SELF-BALANCING REVENUE AND EXPENDITURE.

Post Office	57,314,000
Road Fund	21,300,000
	78,614,000

The surplus of £4,239,000 for 1927-28 is carried forward.

MONTHLY TRADE SUPPLEMENT.

We publish this week our Monthly Supplement, in which will be found an appreciation of the trade situation at home and abroad, together with statistical information on the foreign trade, price movements, currency, and production of the leading commercial countries of the world. Its contents include an index of electricity production, and a series of indices of British trade activity.

ECONOMIST INTELLIGENCE BRANCH.

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

A GREAT WAR MINISTER.

THE passing of Viscount Haldane of Cloan robs Great Britain of an outstanding member of her rapidly thinning ranks of Elder Statesmen and of one who will stand in the eyes of posterity among those who most potently affected the course of the great world war. Statesman, organiser, philosopher, intellectual, scholar, lawyer, he presented in himself a combination of parts which is none too common in political history, and which, in the hustling surroundings of modern political life, cannot easily be repeated. The figure of the philosopher statesman has happily not been altogether rare in the annals of British public life; for the names of Morley, Bryce, and Balfour leap to every mind. But the peculiar trait which distinguishes Lord Haldane, and makes him a unique figure, is that with his political, philosophical, and literary talents he combined the gifts not only of the successful lawyer, but also—and here is where the rarity is most marked—of the born organiser.

The man and his gifts provide abundant study for the humanist. But it is not so much the man as his career which will intrigue the moralist and inspire the pen of the historian. In that career two particular phases will be inevitably selected for disquisition. A quarter of a century ago Mr Haldane was a right-wing Liberal, bending his endeavours to ally the Liberal Party more and more with the forces of the Right; in his later years Lord Haldane was the benevolent counsellor of political Labour. That is one phase. The other, of course, is the story of his supreme service to the nation's military efficiency and his dramatic eclipse at the time when the intensification of the world-war made his peculiar gifts of organisation a national asset that could ill be dispensed with. He will stand as a curious example of a political drift from Right to Left at a time of life when the drift is normally the other way. He will stand, too, as a classic illustration of the injustice and ingratitude which modern democracies are apt to mete out in times of hysteria to their most devoted and efficient public servants.

When in 1906 Mr Haldane became Secretary of State for War in Sir Henry Campbell-Bannerman's administration, the public knew him only as a leader of the Right in a cleft Liberal Party, then again united and victorious, as a rising House of Commons man and a successful barrister. As War Minister he quickly forced himself upon the nation's attention. A friend of peace and a worker for it, he tackled with an untiring zeal the overdue War Office task of building the country's military forces upon a sound and efficient foundation. In the six years passed at the War Office he not merely transformed the regular Army into a mobile force, to whose efficiency friend and foe alike were shortly to testify, but by his formation of the Territorial Army he set up a fighting force which was early thrown into the breach effectively at a most critical moment, and which afterwards was an invaluable provider of officers and trainers for the great citizen armies of Britain. The work was a greater one than any few phrases can convey. In the circumstances of the time no War Minister, even had he known for certain that war was approaching, could have done more; and he did it at the expense of tremendous and exhausting personal effort, and in the face of bitter opposition from those who, if they had had their way, would have led us into the chaotic transition stage between the voluntary and compulsory service systems at the time when the German challenge came. Had it not been for Haldane's work it is safe to say that Britain's armies could not have been trained and put in the field with half the efficiency or half the speed that were actually achieved when the test came. There have been many claimants to the title of "the man who won the war." In ranging the candidates for that distinction the assessor of the future will not omit the name of Haldane.

Lord Haig called him the greatest War Minister that we have ever had. "The greatest War Minister since Cardwell" is to-day the verdict of a great journal which helped in the war crisis to hound him out of office. But this great War Minister was to pay a crushing price for the fact that he was also a philosopher. When war came in 1914 Lord Haldane, his preparations at the War Office completed, had for two years been a first-rate Lord Chancellor. But his unrivalled knowledge of the military machine, of which he was the architect, caused him to be recalled to the War Office to superintend the working of its first great test, and doubtless he would have become War Minister again had not the public with one voice cried out for Kitchener, their idol. At this point, when he might have achieved the consummation of his work for Britain, an unjust and despicable campaign of calumny burst upon him and broke him. Lord Haldane was alleged to have remarked (although it now appears that he never used these words), *à propos* of philosophical thought, that "Germany was his spiritual home." Never has a public man suffered so grievously for an *obiter dictum*, actual or alleged. Mr Asquith's phrase, "wait and see," proved a whip with which his enemies chastised him, but Lord Haldane's supposed aphorism was a veritable scorpion. "A traitor in high places" shrieked the Press; "we cannot tolerate in our Cabinet and among our war organisers a man who translates Schopenhauer and finds in hated Germany his intellectual affinity." Even his ambassadorial visit in 1912 to Berlin, whither on behalf of the Cabinet he went to take an olive branch, was reckoned to him as a crime. The storm raged until it swept Lord Haldane out of office at what would probably have been his moment of supreme service to the democracy which denounced him.

In the story of his later years there is, perhaps, little that will live. During the war, with an unselfish and unembittered patriotism equal to his scientific gifts, he performed many useful, if inconspicuous, services. When the war passed he surprised his friends by becoming the guide, philosopher, and friend of the Labour Party, and returned to the Wool-sack in 1923 in Mr Ramsay MacDonald's Government. His fervent interest in nation-wide education and one or two other planks in the Labour platform is commonly adduced to explain his political conversion. But may we not find an even more potent cause in the cruel and unjust buffeting that he had received from political fate?

There has passed, then, in Lord Haldane a public servant of high integrity and endeavour, to whom the nation owes more than it even yet has realised. As that realisation grows, so will the object lesson which his career provides, of the weaknesses of democracy in times of high temper, become silhouetted on the dark background of war history.

JAPAN IN MANCHURIA.

THE long-drawn-out Chinese revolution has been beset with perils to China's relations with foreign Powers, and these perils have been especially acute during the latest phase (we hope "last" as well as "latest") in which the immense territory of the Chinese Republic has been progressively reunited by the advancing armies of the Kuomintang. During this advance, with all its ups and downs, the danger zone has moved forward with the armies—usually hovering somewhere just beyond their momentary front line. In 1926 it was at Canton; in 1927 at Hankow and Shanghai; and now that the Kuomintang armies and their Shansi and Shensi allies have successfully converged upon and occupied Peking, the danger zone has planted itself very definitely on the further side of the eastern extremity of the Great Wall, in the three Chinese provinces which are popularly confounded together under the name of Manchuria.

Now that the prospects of a permanent reunion and pacification of China are distinctly brighter than they have been at any time since the outbreak of the revolution in 1911, it is devoutly to be hoped that nothing will happen in the Manchurian danger zone which might unleash again all the forces of disorder. The trouble is that Manchuria is something of a danger zone at the best of times. It has been so ever since the Russians began to penetrate it from the north at the end of the last century—and this for more than one reason.

To begin with, Manchuria is one of the few remaining regions in the temperate zone in which really great agricultural and mineral resources still remain incompletely developed. In other words, it is one of the few remaining fields open for colonisation by populations accustomed to a temperate climate, and it would be one of the major "stakes of diplomacy" for this reason alone. As a matter of fact, on the plane of colonisation, this stake has already been played for and won. Russia, who was first in the field politically of all the Great Powers, failed to make Manchuria her own by colonisation—partly because the Russian peasantry had still to fill the immense empty spaces of Western Siberia, and partly because the Russian Government forced Japan to fight by pushing on prematurely from Manchuria into Korea, and so lost not only its prospects in Korea but a large part of its imperfectly consolidated Manchurian gains. Japan's political opportunity came when the Treaty of Portsmouth, which ended the Russo-Japanese War, partitioned the railways built by the Russians in Manchuria into a Russian and a Japanese zone, and no one can say that, during the quarter of a century which has passed since then, Japan has neglected to take full economic advantage of that footing in Manchuria which the Treaty of Portsmouth gave her. She has not only developed her own zone in the south to the full, but, since the Russian revolution of 1917, she has been conducting a victorious economic offensive northwards at the Russians' expense. In Manchuria, considered as a whole, Japan to-day is economically paramount. Indeed, her economic activities, assets, and interests in Manchuria have become an indispensable and a vital element in her national economy, and this is part of the crux of the present situation; for, in spite of her economic achievement, Japan has in one sense lost the stake for which all the parties concerned are playing, and has lost it, moreover, to China, who is the weakest of the three, and who has been distracted since 1911 by chronic revolution and civil war.

Japan has in one sense lost Manchuria because, like Russia, she has failed to colonise its empty spaces with her own people. Japan's Korean subjects have, indeed, drifted into Manchuria in numbers which would seem

considerable if they were not dwarfed by the colossal immigration of Chinese. But the Koreans, after all, are not sufficiently enamoured of Japan to serve her as empire-builders, and in any case the strength of the Chinese tide seems destined to submerge them utterly. It is China, in her weakness, who has been securing the ultimate reversion of Manchuria by that method of wholesale colonisation which, in the long run, constitutes the only sure and effective title to political possession. And, strangely enough, it is the very weakness and disunion and dissension of the Chinese in the 18 provinces during the last 17 years that has hastened on the "Sinification" of Manchuria by stimulating the peasantry of Northern China to emigrate *en masse* to some haven of refuge from the miseries of Shantung and Honan. The most obvious and handy haven has been Manchuria—thanks, in the main, to Japanese and Russian activities there, which have stabilised the local political situation and have made the economic potentialities of Manchuria available for the Chinese refugees.

Thus, to-day, it is no longer in doubt that Manchuria is, and will remain, a Chinese country in the sense that its population will be Chinese, and that no external force will ultimately be able to prevent the political reunion of these millions of Chinese in Manchuria with the main body of their kinsmen in the Eighteen Provinces. A great deal depends, however, on the process by which this apparently inevitable consummation is achieved; for if, by mischance, this process should take the form of violence, the incidental effects might be most disturbing, not only for China and not only for Japan and Russia, the two foreign Powers immediately concerned, but for the peace of the world at large, since a political explosion in a region of such intrinsic importance could hardly fail to have very wide repercussions.

This is why it is impossible for observers, even from a distance, to receive news of trouble in Manchuria without some concern; and we must say that the present trouble—such as it is—seems originally to have been of the Kuomintang Government's making. It was clumsy of them, to say the least of it, to denounce the existing Sino-Japanese commercial treaty unilaterally at the time when their occupation of Peking had caused the danger zone, which goes before their face, to settle precisely in Manchuria, where Japan's economic interests are particularly extensive. This method of unilateral denunciation is an unfortunate method, in principle, of dealing with foreign Powers; but it is particularly ill-advised to apply it to Japan; for the stakes of other Powers in China, though large, may not in the last resort be worth contending for, whereas Japan's stake, at any rate in the Manchurian Provinces of China, is so vital to her national welfare that, if driven to bay, she may be expected to contend for it with all her might. Thus it was neither unexpected nor unpardonable that Japan should retort to the Kuomintang Government's breach of diplomatic convention by showing her teeth. At the same time, we think that the particular form of reprisal which was hit upon by Baron Tanaka was so unfortunate in itself that the effect has been to put the Japanese instead of the Chinese Government in the wrong.

It will be remembered that, since Chang Tso-lin's death, his son and successor in the tuchunship of the Manchurian Provinces, Chang Hsueh-liang, has been holding communication with the Kuomintang with a view to bringing the Manchurian Provinces into the fold of a Chinese Republic reunited under the Kuomintang flag, and thus accomplishing the inevitable reunion immediately and peacefully instead of leaving it to be won at the price of a further bout of civil war. Now, on a long view, this solution of the Manchurian problem would assuredly be in the interests of Japan, whose vital economic activities in Manchuria would best be served if the threat of disruption and civil war which now hangs over Manchuria were removed in a satisfactory manner. On this account alone it would appear to have been a false step on the Japanese Government's part when—in reprisal for the Kuomintang Government's attitude over the Sino-Japanese commercial treaty—they advised Chang Hsueh-liang to break off his negotiations with Nanking. This is assuredly not the most statesmanlike way of attempting to safeguard Japanese assets in Manchuria; and, in fact, the Japanese

Government seems to have repented of its step the moment after taking it. It has now been announced that the advice given to Chang Hsueh-liang had no connection with the *contretemps* over the treaty; and the advice itself seems to have been modified or actually withdrawn.

If the Japanese Government has really beaten a timely retreat, the moment seems propitious for a sane and mutually satisfactory arrangement regarding Manchuria, for there is no reason to suppose that merely because the Chinese and the Japanese stakes in Manchuria are both very great they are therefore incompatible with one another. We can imagine Manchuria as an integral part of the Chinese Republic under a special economic régime in which Japan was assured of certain economic benefits, vital to her, as a legitimate return for her contribution towards the economic development of the country. We trust that some arrangement on these lines may be arrived at, and this before long.

THE DIRECTION OF OVERSEAS TRADE.

WITH the July trade returns, a summary of which was given in our last issue, there are included the usual statistics, showing the countries of origin of imports, and of destination of exports and re-exports for the second quarter and for the first half of the year. It may be recalled that in the first six months of 1928 imports showed a decline of £12 millions in comparison with the first half of 1927, British exports an increase of nearly £13 millions, and re-exports of imported merchandise a rise of £1½ millions. Comparison with the 1926 figures is vitiated on account of the industrial disputes in that year, and in the series of ensuing tables the statistics for the current year are contrasted with those for 1927 and 1925. In comparison with the first six months of 1925 imports in the first half of this year are down by £72 millions, British exports by £37½ millions, and re-exports lower by £10 millions.

The first table shows imports from and British exports to the principal countries of Europe (including their colonies), the figures for 1914 being added, where available, for purposes of comparison:—

JANUARY to JUNE.
(000's omitted.)

Country.	Imports from				Exports to			
	1914.	1925.	1927.	1928.	1914.	1925.	1927.	1928.
France	23,929	40,150	35,202	35,546	14,364	21,092	15,496	15,825
Netherlands	11,493	29,001	30,125	29,073	8,127	18,692	15,067	16,261
Denmark	12,054	23,424	23,610	25,432	2,995	5,581	4,722	4,693
Spain	6,873	12,781	12,041	12,422	3,686	6,650	6,551	5,825
Germany	39,531	24,147	29,056	30,588	18,890	22,456	19,197	20,720
Switzerland	5,776	12,660	7,163	7,248	2,084	4,636	3,342	4,455
Belgium	11,469	18,610	24,255	22,603	6,507	10,682	8,748	9,289
Sweden	5,909	8,901	10,793	8,885	3,757	5,243	4,541	4,688
Norway	3,574	6,894	6,567	5,183	3,543	3,998	3,363	4,108
Italy	4,527	11,564	8,737	7,969	7,437	10,511	7,352	7,300
Portugal	1,490	3,358	2,977	2,277	1,600	4,244	4,413	4,499
Finland	..	4,224	4,404	4,103	..	1,867	1,510	1,663
Czecho-Slovakia	..	5,971	4,999	4,451	..	796	875	1,160
Greece	676	837	905	1,851	3,180	2,068	2,572	..
Russia	15,282	9,148	6,777	6,080	8,505	2,879	2,666	1,585
Latvia	..	3,061	3,241	3,445	..	510	384	369
Poland	..	2,548	4,468	2,924	..	2,057	1,859	2,248
Austria	..	1,565	1,143	1,127	..	1,165	1,104	1,367
Hungary	3,803	1,283	91	158	2,188	427	475	..
Romania	1,770	951	952	658	1,573	1,552	1,507	1,791
Turkey in Europe	652	466	452	779	1,833	1,745	1,261	1,075
Estonia	..	865	961	935	..	291	284	222
	148,808	221,235	218,374	213,799	88,940	130,098	106,739	112,390

On the import side, it will be observed, the chief features in comparison with last year are an increase in purchases from Denmark and Germany, and decreases in the case of Belgium, Poland, Sweden, and Italy. The decline, as compared with 1925, in imports from France, Switzerland, Italy, and Russia is noteworthy, but in the case of the three first-named countries the 1925 figures were swollen by shipments made to forestall impending import duties. As regards exports, the decrease recorded for Russia is prominent. Of the increases, the largest, in comparison with 1927, are to Germany, the Netherlands, Switzerland, and Norway. As compared with 1925, the decline in exports to France and Italy is pronounced.

THE MERCANTILE BANK OF INDIA, Ltd.

Head Office: 15, Gracechurch Street, London, E.C.3.

Capital Authorised ... £3,000,000
Subscribed Capital ... 1,800,000
Paid-up Capital ... 1,050,000
Reserve Fund and Undivided Profits 1,584,846

Branches and Agencies:

INDIA, BURMAH, SIAM, CEYLON, STRAITS SETTLEMENTS, CHINA, PORT LOUIS, MAURITIUS and DUTCH EAST INDIES.

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes, and conducts every description of Banking Business in Connection with the East.

Fixed Deposit Rates will be quoted on application.
On CURRENT ACCOUNTS interest is allowed at 2 per cent. per annum on daily balances, provided interest for the half-year amounts to £1.

Trusteeships and Executorships Undertaken.
JAMES STEUART, Chief Manager.

The next table shows the corresponding figures for the United States and other foreign countries outside Europe:—

JANUARY to JUNE.
(000's omitted.)

Country.	Imports from				Exports to			
	1914.	1925.	1927.	1928.	1914.	1925.	1927.	1928.
United States	70,447	129,530	111,927	95,412	17,769	26,663	22,034	23,313
Argentina	18,004	36,149	41,015	40,595	9,645	14,473	12,294	16,336
Cuba	2,724	6,693	3,574	4,938	890	1,456	1,186	857
Brazil	5,183	2,653	2,254	2,593	4,034	8,350	6,919	7,974
Mexico	985	3,522	3,270	1,379	389	1,726	1,067	1,479
Japan	2,047	4,135	3,569	4,793	5,146	8,910	7,158	7,884
Persia	..	3,672	4,990	4,594	..	1,345	1,154	884
China	1,976	6,892	5,652	5,970	8,445	8,191	5,195	6,269
Peru	1,180	3,420	3,059	1,868	706	1,316	1,029	976
Chile	2,995	7,760	5,025	5,489	2,569	2,921	2,369	2,590
Uruguay	1,564	2,867	2,939	5,075	1,127	1,615	1,438	1,459
Colombia	..	944	1,393	1,138	..	1,913	1,732	1,591
Turkey in Asia	1,648	687	509	484	2,877	504	427	405
Egypt	11,858	20,051	13,512	14,070	4,936	8,250	5,921	5,835
Other Far Cities	11,835	10,969	10,584	10,608	13,744	7,376	8,173	7,927
	132,447	239,944	213,672	201,411	72,277	95,019	78,516	85,253

The considerable decline, as compared with 1927, in imports from the United States may be ascribed in large part to the fact that last year's figure was inflated by abnormal coal shipments made in fulfilment of 1926 contracts. Imports of raw cotton from the United States in the first half of this year were over a million lower in value than in the first six months of 1927 (the quantity falling from 6.6 millions to 4.3 million centials), while in comparison with 1925, when 6.5 million centials were imported during January-June, cotton value shows a decrease of nearly £20 millions, and accounts for most of the decline in total imports. As compared with 1927, it will be noted, the adverse visible trade balance with the United States has been reduced from £90 millions to £72 millions. With regard to other countries, changes are less marked, but it is encouraging to find an appreciable recovery in exports to South America and, in a minor degree, to China.

The third table gives trade with the Dominions and other British possessions:—

JANUARY to JUNE.
(000's omitted.)

Country.	Imports from				Exports to			
	1914.	1925.	1927.	1928.	1914.	1925.	1927.	1928.
Australia	21,431	42,655	29,912	31,197	17,711	29,871	30,916	25,342
New Zealand	16,068	37,428	29,346	32,208	4,689	11,117	9,481	8,832
India & Ceylon	22,615	46,375	33,929	30,074	3,676	47,433	43,177	45,780
Canada	9,859	27,372	25,414	24,460	9,580	13,652	13,589	14,850
South Africa	7,179	12,410	12,018	14,296	10,830	14,885	14,522	15,344
West Africa	3,394	7,303	6,439	6,683	3,931	6,374	6,591	6,905
Straits Settlements	7,134	6,067	8,636	5,194	2,612	4,722	5,780	5,852
Malay States	..	1,011	2,842	1,348	..	755	1,520	2,050
West Indies	1,373	3,319	2,452	2,910	1,233	1,876	2,008	2,379
Irish Free State	19,309	18,197	19,447	..	..	20,906	17,646	17,591
Other Possessions	5,536	13,079	16,136	16,182	6,979	15,851	11,546	12,503
	94,629	216,328	185,321	190,029	94,241	167,442	157,086	157,588

As compared with 1927, increases on the import side are fairly general, notable exceptions being the Straits Settlements and Malay States—a reflection of lower rubber prices. The decline in imports from Australia and New Zealand, as compared with 1925, is due in large part to the fall in the price of wool, while the lower figure of imports from British India, in comparison with three years ago, represents in the main reduced cereal shipments. Exports to Australia this year are substantially lower, but, as an offset, we have shipped more to India, Canada, and South Africa. In 1914, it will be noted, imports and

British exports almost exactly balanced in trade within the Empire, whereas now there is a heavy excess of imports.

Excluding trade with the Irish Free State, the proportion of total imports coming from the Empire in the first half of this year was approximately 29 per cent., as compared with 28 per cent. in the first half of 1927, and 25 per cent. in the corresponding period of 1914. British exports to the Empire represented 41.5 per cent. of the total, as against 42 per cent. in 1927, and 37 per cent. in 1914—again excluding throughout trade with the Irish Free State.

The concluding table shows re-exports to the principal countries:—

JANUARY TO JUNE.				
Re-exports to	1914.	1925.	1927.	1928.
United States.....	18,210,000	14,409,000	10,823,000	12,206,000
Germany.....	11,395,000	16,237,000	15,656,000	15,616,000
France.....	6,205,000	10,303,000	9,831,000	11,216,000
Belgium.....	4,140,000	5,130,000	4,732,000	6,078,000
Netherlands.....	2,615,000	3,322,000	2,488,000	2,412,000
Australia.....	..	2,383,000	1,278,000	1,180,000
Canada.....	..	1,817,000	1,045,000	1,288,000
Italy.....	507,000	1,331,000	1,081,000	1,233,000
Sweden.....	452,000	838,000	511,000	628,000
India and Ceylon.....	..	629,000	751,000	757,000
South Africa.....	..	816,000	697,000	809,000
Denmark.....	261,000	565,000	376,000	374,000
Norway.....	279,000	369,000	257,000	259,000
Japan.....	108,000	141,000	126,000	114,000
Russia.....	4,553,000	6,512,000	5,511,000	1,061,000
China.....	..	80,000	57,000	58,000
Irish Free State.....	..	5,651,000	4,762,000	4,776,000
Other Countries.....	10,554,000	6,918,000	6,382,000	6,433,000
	59,276,000	77,449,000	66,220,000	67,486,000

Larger shipments of rubber account for the increase in re-exports to the United States, while the higher figures for Germany and Belgium reflect mainly increases in re-exports of raw wool. Re-exports to Russia show a significant decline.

COMPOSITE STORES RESULTS.

(BY A CORRESPONDENT.)

IN the pre-war years the individual shopkeeper lived or failed by his own efforts concentrated on the one trade he knew from actual experience. He was a survival of the Victorian tradesman who resided over his shop and knew the preferences and peculiarities of his customers. As the suburbs grew and the tradesmen began to move away from their business premises, the opportunity was presented to financiers to develop departmental stores. The success of such enterprises is dependent on the aggregate results rather than upon the returns of any one section or trade. It is difficult to gauge which individual department is responsible for any undue profits or excessive loss. For in joint-stock balance-sheets the final results, as they appear to the shareholders, are given in the comprehensive totals.

Yet it is perfectly clear that in the great departmental stores with several departments—drapery, tailoring, footwear, furnishing, grocery, &c.—the surplus of profit varies. Hence the duty of the directors carefully to discern the varying results of the different branches in order to make adjustments that give a tone of prosperity to the whole concern. Not being able to glean the extent of the variations from a study of joint-stock balance-sheets, we must go to those of typical co-operative societies to ascertain the respective degrees of profit which the different sections give to the whole concern. Here are a few figures which are suggestive of the cost of distribution in some industrial centres and also of the rate of profit—each result being based on per £1 of sales:—

DISTRIBUTING EXPENSES per £ of SALES.				
	Grocery.	Drapery.	Boot and Tailor- ing.	Fur- nishing.
	s d	s d	s d	s d
Batley.....	2 6½	2 1½	2 10	2 9½
Stockport.....	1 8½	3 5	3 4	2 9½
Failsworth (near Manchester).....	1 11	3 2½	2 9½	2 3½
PROFITS PER £ OF SALES.				
	s d	s d	s d	s d
Batley.....	2 4½	2 4½	3 3½	2 10½
Stockport.....	2 5½	1 9½	1 0½	2 6½
Bradford.....	2 5½	2 5	2 1½	1 11½
Banbury.....	1 3½	2 1	2 11	3 6
Rochdale.....	2 0½	2 0½	2 7½	1 9½
Dewsbury.....	2 7½	1 6	2 8½	2 2½
Morley (From.....)	2 0½	2 1½	2 7½	2 6½
Morley (To.....)	2 8½	2 1½	2 7½	2 6½
Failsworth.....	2 5½	1 9½	2 3½	1 7

In co-operative business practice the profits, after paying 5 per cent. (or slightly below) on share capital, are allocated to the purchasers according to their aggregate purchases for the period. This share of the profit, known as the "dividend"—distinct from the interest on the share capital—is determined by the pooling of the surplus from each department, and is paid without any relation to the individual results of any one section. In the recent period to which the foregoing results relate the dividends distributed to members on each £1 of purchases were as follows:—

	s d		s d
Batley.....	2 6	Rochdale.....	2 0
Stockport.....	2 0	Dewsbury.....	2 7
Bradford.....	2 3	Morley.....	2 5
Banbury.....	1 2	Failsworth.....	2 6

Comparing the dividends paid on the total purchases with the actual profits in the various departments, it should be remembered that about half the turnover of these co-operative societies is in groceries. At Batley and Failsworth the dividends were above the rate of the grocery profits—heavy depreciations of property in the past enabling the societies to have an advantage in the overhead charges. This is particularly notable in the case of Failsworth, where the dividend was higher than the rate of profit in any one department. The result of the operations of the Rochdale Pioneers' Society have reflected the profits in grocery and drapery; those at Dewsbury have been conditioned by the grocery; while the results of the drapery and boot and shoe departments at Stockport have apparently brought the dividend down to 2s, as compared with the profit of 2s 5½d made in the grocery section. These eight illustrations are fairly representative of the position of the thousand co-operative societies throughout the country.

It is this aid which one department is able to render another that has made for the steadiness and stability of the co-operative societies. Had each department been regarded as a separate entity without relation to the others, and if the profits of each had been distributed at the rate made in that particular section, the fluctuations of markets and the vagaries of fashion would have caused alternations of dividend and no-dividend periods in many departments that would have discouraged the purchasers, whose attraction by the share of the profits has been a recognised feature of the co-operative advance.

When we consider the general results of multiple-shop finance, as well as of the co-operative outlook, we have to bear in mind that they can only be regarded as a general reflex of the distributive trade as a whole, and not as an indication of the position of any one component department. For the co-operators who purchased tailoring from the Banbury Society obtained a dividend of only 1s 2d, whereas the profit was 3s 6d in the £; those who bought furniture from Failsworth were more fortunate, for they received 2s 6d, whereas the rate of profit made in that department was only 1s 7½d. Of course, these considerations do not arise outside the co-operative movement; but they come under the survey of the directors of great departmental stores when they are supervising the internal details with a view to passing judgment on the financial results of the operations.

THE NEW COMPANIES ACT.—III.

(BY A CORRESPONDENT.)

New Powers.—The Act confers upon companies certain new powers, some of which may prove of considerable importance in the future.

Perhaps the most useful of these new powers is that contained in Section 50, which provides that where an offer for the acquisition of any class of shares has been approved by the holders of not less than nine-tenths in value of the shares affected, the holders of the remaining one-tenth of the shares can be required to transfer their shares on the same terms as those accepted by the nine-tenths, subject to a right of appeal on the part of the minority to the Courts. This section is made retrospective, and will apply to schemes approved prior to the commencement of the new Act, but in that event the onus of applying to the Court is placed upon the company desiring to acquire the outstanding shares, and the Court

is given power to determine upon what terms, if any, the minority shareholders shall be bound to transfer their shares. It seems probable that, as soon as this section has come into operation, there will be a large number of applications to the Courts under it, and it will be interesting to see on what basis the Court will act in determining a fair price for the outstanding minority interest.

By Section 18 companies are given the right to issue redeemable preference shares, but this right is so hedged round with restrictions that it may not prove to be of much use in practice. The Act does not define the expression "preference share." It is provided that the shares can only be redeemed from two sources, viz., out of profits which would otherwise have been available for dividend or out of the proceeds of a fresh issue of shares made for the purpose. If the shares are to be redeemed at a premium, the premium must in every case be provided out of profits. Where shares are redeemed out of profits the company has to set up in its balance-sheet a special "capital redemption reserve fund," equal to the amount applied in redeeming the shares, and such capital redemption reserve fund cannot be distributed as dividend, though it may be used for the purpose of capitalisation in the form of bonus shares. As noted under the heading of balance-sheets and accounts, the balance-sheet must specify what part of the issued capital of the company consists of redeemable preference shares, and the date on or before which those shares are liable to be redeemed. Subject to the above restrictions, the Act leaves a company to determine by its articles of association the terms on and the manner in which the shares are to be redeemed.

By Section 37 a company is given a limited right to issue shares at a discount, but here again the power is hedged round with restrictions. Such shares must be of the same class as shares that have already been issued; the issue must be sanctioned by the company in general meeting and by the Court; the resolution sanctioning the issue must specify the maximum discount; the issue cannot be made until after one year from the date on which the company was entitled to commence business; and the issue must be made within one month of the date of the order sanctioning the issue, or such extended time as the Court may allow. It is anticipated that the necessity to apply to the Court and the delays involved thereby will render this section of little use in practice, and as Section 38 of the new Act provides that the commission paid for underwriting or subscribing shares must not in any case exceed 10 per cent. of the issue price of the shares, it may be doubted whether the position of companies is not more restricted than before. Where a commission is paid for subscribing absolutely as distinguished from conditionally, the number of shares which have been so subscribed firm for a commission must be stated in the prospectus or circular offering the shares.

Where shares are issued at a discount, the annual summary, every prospectus relating to the issue of the shares, and every balance-sheet issued subsequently, must contain particulars of the discount, or of so much of that discount as has not been written off.

Section 54 of the new Act gives to the Court power, in connection with schemes for the reconstruction or amalgamation of companies, to effect, by order of Court, the transfer of the whole or any part of the undertaking and of the property or liabilities of one company to another company. The Act contains provisions for the protection of third parties interested and for other incidental matters which must arise out of any such arrangement. This section may prove useful in practice as a short cut, but it would not seem to enable anything to be done in the future which cannot now be done if the appropriate steps are taken. It merely simplifies procedure.

Restrictions on Existing Powers.—In addition to the limitation imposed, as above mentioned, on the power of companies to pay commissions, the new Act imposes certain other restrictions on the powers of companies. Section 16 expressly prohibits the rendering by a company, directly or indirectly, of any financial assistance to anyone for the purpose of, or in connection with, a purchase made or to be made by any

person of any shares in the company. The object of the section is to prevent schemes, similar to some that have been carried out in the past, whereby a third party contemplating the acquisition, or having acquired the majority of the shares in a company, and the control of the board, causes the liquid assets of the company so controlled to be made available to him for the purpose of financing the purchase of the shares. There are exemptions from the provisions of this section loans made in the ordinary course of a company's business, where it is part of the ordinary business of that company to lend money and schemes for enabling employees to acquire shares either directly or through trustees.

A section which will probably prove in practice of more importance than Section 16 is Section 17. This section enables a minority of any class of shareholders, provided they hold not less than 15 per cent. of the issued shares of the class, to appeal to the Court for protection against any scheme for the variation or abrogation of the rights of the class, notwithstanding that such scheme may have been duly sanctioned in accordance with the provisions of the articles of association of the company. This provision may prove a wholesome safeguard for the protection of minority interests, but a minority proposing to take advantage of the section will have to act quickly, as any application to the court under the section must be made within seven days of the passing of the resolution objected to, and there is no power for the Court to extend the time. Moreover, the decision of the Court of First Instance is final, and there is no appeal from such decision.

Directors and Auditors.—Perhaps the most important alteration made by the new Act, as affecting directors, is that made by Section 78, whereby any provision, whether contained in the articles of association of the company or in a contract or otherwise, for exempting any director manager or other officer of the company from, or indemnifying him against, any liability which, by virtue of any rule of law, would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust, of which he may be guilty in relation to the company, is to be void. This provision with regard to existing companies only comes into operation after a period of six months from the commencement of the Act, so that any director, who may be unwilling to continue to act without the indemnity previously enjoyed, will have an opportunity of resigning his directorship. These provisions are, by Section 86 (5), made applicable also to auditors.

The provisions of Section 279 of the Act of 1908, which authorises the Court, in certain circumstances, to excuse directors for a breach of trust, have by Section 78 of the new Act been somewhat amplified, and will now enable the Court to excuse a director or other officer or auditor in respect of any negligence, default, breach of duty or breach of trust, where the Court is satisfied, after taking into consideration all the circumstances of the case, including those connected with the appointment, that the director, officer, or auditor has acted honestly and reasonably, and ought fairly to be excused.

These amendments in the law will, when they come into operation, very materially increase the liabilities incurred by persons acting as directors and auditors of companies.

Section 81 imposes a statutory obligation on every director, who is interested in any contract or proposed contract, to disclose to his co-directors the nature of his interest at the earliest opportunity, and it applies even where the director's interest is acquired after the contract has been entered into. The section does not prevent a director voting on contracts in which he is interested.

Section 82 makes it illegal, in certain cases, to pay compensation to directors for loss of office, or in connection with retirement from office, without disclosure to the shareholders, and, in certain cases, without also the approval of the company.

By Section 28 it is provided that every company (other than a private company) registered after the commencement of the new Act shall have at least two directors.

By Section 80 members of a company entitled to not less than one-fourth of the aggregate number of votes

to which all the members of the company are entitled can require the directors to furnish to all the members of the company a statement, certified by the auditors, showing the aggregate amount received by the directors of the company by way of remuneration or other emoluments (including remuneration and emoluments as directors of subsidiary companies) during the last three preceding years in respect of which the accounts of the company have been made up. A proviso to this Section enables the company in general meeting by a simple majority vote to resolve that the statement shall not be furnished. This amendment has, in the opinion of the writer, rendered the section one of little practical use, as it enables a bare majority of the shareholders to withhold from a substantial minority all the required information.

Section 84 subjects to fine and imprisonment any undischarged bankrupt who acts as a director of or takes part in the management of any company, unless he has first obtained the leave of the Court by which he was adjudicated. This provision is not to apply to directorships held by any undischarged bankrupt at the date of the passing of the Act, if he has continuously acted since the passing of the Act.

Sections 72 and 73 contain stringent provisions for compelling directors and officers of companies which have gone into liquidation to disclose all the assets and to deliver up the books and generally to assist in the liquidation. It is made punishable by penal servitude to obtain any property for a company on credit, within 12 months before the commencement of the winding-up, by any false representation or other fraud, or to obtain on credit for the company any property which the company does not pay for under a false pretence that the company is carrying on its business. Directors of companies which are getting into difficulties will need to consider carefully some of the provisions of Section 73.

By Section 74, directors who are knowingly parties to the failure to keep proper books are made liable to fine and imprisonment, and by Section 75, if it appears that the business of the company has been carried on with intent to defraud creditors of the company, or of any other person, or for any fraudulent purpose, the Court may declare that any directors, past or present, knowingly parties thereto, shall be personally responsible, without limitation of liability, for all or any of the debts of the company.

By Section 77 the Court is given power, on the application of any person interested in the winding-up, or of its own motion, to direct the liquidator to commence a prosecution, or to refer the matter to the Director of Public Prosecutions. Moreover, an obligation is imposed upon liquidators to report to the Director of Public Prosecutions any case where any director, manager, or other officer has been guilty of any offence in relation to the company for which he is criminally liable. The liquidator has to give to the Director of Public Prosecutions full information, and the Public Prosecutor is given power to institute proceedings. Subject to the rights of mortgagees, the costs of such prosecutions are to be payable out of the assets in priority to all other claims, except those of preferential creditors.

By Section 86 no person, being a partner or in the employment of any officer of the company, can be appointed auditor to that company, unless it is a private company. The section also contains provisions for enabling the shareholders to appoint auditors in the place of the first auditors selected by the directors. Auditors are given the right to attend any general meeting at which accounts examined or reported upon by them are to be considered, and to make statements or explanations with regard to the accounts.

DURABILITY AT A DISCOUNT.

(BY A CORRESPONDENT.)

ONCE upon a time British goods were supreme in the world's markets for quality of material, solidity of construction, and fineness of finish—all three the distinguishing features of high-class production. In consequence, the words "Made in England" were everywhere recognised as the hallmark of quality, and stamped on an

article they were at once its guarantee, its recommendation, and its justification when its price came to be compared with that of its competitors. And as these latter were neither many nor, in very many cases, seriously comparable, the British article held its own by sheer merit despite its higher price. Articles of British production were regarded as an investment, their lasting qualities offsetting in the judgment of the purchaser their greater initial cost. They were looked upon as actually cheaper than others that could be bought for less money, for they possessed an integrity and durability that others lacked—qualities that were demanded and that were an integral part of the article's utility.

It may seem strange, therefore, that this once universally venerated dogma of British industry—durability—should nowadays be considered, as without doubt it is in many markets, as a fetish. But if it no longer possesses the saving grace it once had, it is not because the quality of durability is in itself without merit, but because it is so often urged in favour of productions in connection with which it is superfluous. It is a virtue, a sound selling point, only in the case of articles required to endure—and this, in the altered circumstances of to-day, is precisely what many articles of common usage, at one time selected because of their lasting qualities, are not now required to do.

The altered attitude toward the solid and durable presented to-day by many, who formerly regarded both as essential in their purchases and who in consequence were buyers of British-made goods, is due directly to the different manner of living that prevails to-day in all classes of society and to its high cost at a time when many incomes have dwindled. Indirectly, it is attributable to the sensation of impermanence that underlies the life of to-day, a feeling of uncertainty and unsettlement that deters many from making provision for the future, but which favours the adequate for present needs. Whatever will permit of ready adaptation to possible new requirements is preferred to the enduring and non-resilient, however intrinsically good. "Let us eat, drink, and be merry, for to-morrow we die" is a philosophy of life far more prevalent in these days than is perhaps generally realised, or than many of us would care to admit. But however poor may be its principle, it undoubtedly exerts a profound influence upon human motives, methods, and activities. When durability was demanded in the goods of everyday life there was a sense of continuity, a "looking ahead" in human affairs that is now largely absent. Little need for enduring things when ideas, tastes, habits, and the entire machinery of living can be changed in less than a generation, or to plan for the future when values, both moral and material, are in the highest degree problematical, and when a good many of us, at all events, are fully occupied in taking care of the present.

In the realm of production a similar attitude makes itself apparent. Few industrialists now feel so sure of even the immediate future as to be willing to commit themselves to set and stabilised policies such as they adopted and adhered to for long periods in former days. And not only policies but plants, processes and methods can do little more than fulfil current needs. To-morrow a new chemical discovery, a new machine or process may alter the entire outlook. It is not durability that appeals to the producer any more than to the consumer, but momentary adequacy, plasticity and adaptability.

Now durability is a quality that can be the possession only of the finest grades of goods. It is the product of first-class material and expert craftsmanship, a combination that seldom results in cheapness. Quite rightly such goods have to be paid for. Consequently they cannot hope to compete favourably with others less workmanlike, less durable, but fully adequate to the requirements of those for whose use they are intended. They are saddled with the cost of a quality not in request, and must give place to inferior productions adequate to what is required of them and cheaper.

Do not such considerations as these influence buyers in those markets that were once predominantly British, but which are now largely in the grip of Britain's rivals? Are there no customers in the home market also who, while

they would unhesitatingly buy the products of British industry if they could, are precluded from doing so owing to the prices they are asked for qualities they do not want? Are there potential customers for British goods both at home and abroad who are driven to select articles of foreign manufacture solely because they represent what they need to-day at the prices they are now able to afford? If so the failure of the demand for goods of British origin to expand is at least in part explained. For in the more or less straitened circumstances in which the population of this country now finds itself, initial cost is the determining factor in by far the largest proportion of its purchases. It cannot pay the high cost of unimpeachable workmanship wedded to a durability it does not desire. If an Englishman's home is no longer his castle, neither have most Englishmen any desire to furnish it as if it were one with impedimenta intended to endure a lifetime. On the contrary, the life of very many articles of household and personal usage is now extremely short—made short not alone by intensive use to destruction, but by constant influx and efflux due to changes of taste and fashion which send articles to the discard in a manner that could not be economically effected were they of more durable construction and acquired at a more considerable outlay. Present modes of living do not favour the acquisition of goods of which the prime cost is so large that they cannot be discarded and replaced by newer models and up-to-date styles as they become available without incurring more or less considerable loss. In the eyes of many a too durable article is merely one that may eventually outlive its welcome, and be superseded or rendered obsolete or inefficient by the appearance of a later design, or become *demodé* by a whim of fashion—but which represents too large a capital expenditure to replace and is at the same time too essentially sound to sacrifice. There is reason to believe that some of our foreign competitors have been quicker than ourselves in appreciating the significance of this fact, and have in consequence taken from us markets that might otherwise have remained ours.

Notes of the Week.

Premier's Appeal to Employers.—The recent report on Industrial Transference laid emphasis on the point that employers up and down the country could do much to help in solving the problem of finding work for those hundreds of thousands (principally miners) who find that the opportunity for employment no longer exists in their own localities. The sequel to this is an appeal by the Prime Minister, which has been issued this week to 150,000 employers. Mr Baldwin points out the good working qualities of miners, and offers to put any employer in touch with an official of the Ministry of Labour. Employers are also asked to make known to their local labour exchanges any vacancies which might be filled by transferred labour, and they are reminded of the Government's scheme for monetary advances for travelling expenses, &c., to those who can obtain work outside their own depressed areas. Although there is, of course, a limit to reasonable expectations as to what practical response is possible, it is to be hoped that employers large and small will co-operate to the best of their individual abilities with the step that the Government has already undertaken. "If men are willing to move," said the report of the Industrial Transference Board, "there are possibilities of help. For this we look, as indeed we must, to the quickened imagination and practical sympathy of the whole community, to the steady accumulation of small offers of help, and to a firm decision to take advantage of every chance. And the belief in the character of our fellow-countrymen leads us to look for this with confidence." The Prime Minister's appeal cannot create work, but it should lead employers to review very carefully and very conscientiously all possibilities which their businesses may present of contributing in a practical way, however small, to the solution of the nation's most serious and most distressing problem.

The Future of the Railways.—Events continue to keep public attention focussed on the railways and their economic future. Following upon the dramatic agreement with the trade unions to accept an all-round cut in wages, the boom in motor transport during an exceptionally fine holiday season has emphasised the severity of the competition with which the railways will be faced in endeavouring to retain their passenger traffic. The companies have, however, realised that they must act quickly if they are to put up any fight at all, and have accordingly announced a series of reductions in week-end fares and an extension of facilities to take effect this month. Road transport has undoubtedly been favoured by a singularly fine summer, but in spite of the weather the railway traffic receipts of the August holiday period are less unfavourable to the railways than those of the early part of the year. The full effect of the offensive of the railway companies will not, however, be realised until the winter sets in and their plans have been developed for co-ordinating their rail services with a network of road services which they were given statutory authority to initiate last month. Enormous headway has been made in the amenities of public passenger vehicles which are now coming on to the roads, and their ability to take the shortest route between points which are not, and cannot possibly be, linked up by rail is an enormous asset. But the railway has still great advantages in speed over long distances, in safety, in accurate timing and smoothness of travel, not to mention the economy of power and wear and tear in carrying great numbers of people with a single source of power over a prepared roadway. With active management and enterprise the companies should be able firmly to establish the position of the railway as an essential factor in a composite system of passenger transport. At the same time, they have a very serious situation before them. As Sir Felix Pole recently pointed out on behalf of the general managers, the railways are handicapped not merely with the competition of road transport, but by a high rate of wages laid down for them by the Government, and by trade depression in those heavy industries which furnish them with a large proportion of their traffic. Their efforts will be watched with close attention. It is not in the public interest that these vital elements in our national economic life should be overcome by these difficulties. At the same time, recent events have forcefully underlined the view so constantly put forward in these columns that the railway companies must charge what the traffic will bear, and cannot be assured by Act of Parliament of a given profit unless the taxpayer foots the bill.

The Anglo-French Naval Agreement.—Just before Parliament rose Sir Austen Chamberlain informed the House that a compromise had been arrived at between France and England on the principle of naval disarmament, but nothing has been disclosed as to the nature of the understanding. It is not surprising, therefore, that rumour has been busy, and although she is said to be a lying jade, the inept handling of the question by the two Foreign Offices chiefly concerned has tended to strengthen rather than to allay the suspicion that a deal of the old-fashioned type, which we thought had gone with the old diplomacy, has been completed. If the agreement means nothing more than that France and England have reached a formula which they are prepared to put to the Disarmament Committee of the League as a basis of discussion, and that neither country has committed itself irrevocably, little harm may have been done; and a strong case can be made out for not making the terms public until other countries have had an opportunity to discuss them. But if this is all the agreement amounts to, it surely would have been wiser not to have made an announcement at all, and, in any case, this country, which must above all things find some basis of understanding on naval matters with the United States, could surely have found means of testing Washington opinion before telling the world that a bilateral understanding had been reached with France on precisely those points which prevented the Washington Conference of 1922 from dealing with cruisers and small craft, and which led to the failure of last year's three-Power conference at Geneva. But perhaps the most serious of the alleged features of the agreement is the rumour which persists, in spite of Sir

A. Chamberlain's categorical statement that the understanding related purely to naval proposals, to the effect that Britain has agreed to allow reserves to be excluded from the calculation of forces in the discussions on land disarmament. This is a vital principle, and Great Britain has hitherto opposed the French thesis on this point. If we now agree it may render plans for land disarmament quite illusory. It may be that the understanding may prove to be innocuous, but at best the Foreign Offices concerned have handled a delicate situation very tactlessly in allowing an atmosphere of misgiving and suspicion to develop at the very moment when the Great Powers are about to sign the Kellogg Pact—a great undertaking which can only fulfil the hopes of the world if it is left free to create a feeling of confidence between the nations.

The Triumph of Monsieur Venizelos.—When, a short time ago, Monsieur Venizelos announced his intention of returning to active political life and resuming the leadership of the Greek Liberal Party, his decision aroused misgivings even among friendly foreign observers—including ourselves. We had the feeling that, not entirely or even mainly through Monsieur Venizelos's own fault, his name had become too firmly associated with a deep and disastrous schism in the national life of his country for it to be possible for him to return to politics without jeopardising a national reconciliation recently and precariously achieved. We looked, therefore, upon his return to political life with considerable misgiving; and we are therefore all the more pleased at being able now to record his sweeping victory at the polls, which is a *prima facie* indication that our misgivings were unnecessary. A victory so overwhelming as is represented by the capture of over 200 out of 250 seats in Parliament is sure evidence that M. Venizelos's return, so far from reopening the schism, has set the seal upon the restoration of national solidarity and concord. Perhaps the psychological explanation of this unexpected result is that these elections of August, 1928, in which Monsieur Venizelos has pitted his single personality against a host of smaller combatants, has carried the mind of the Greek people back to the elections of April, 1912, when Monsieur Venizelos first had occasion to appeal to the suffrages of his countrymen after his first term of office at Athens, and was returned to power as triumphantly as he has been this week. The General Election of 1912 inaugurated a glorious epoch in modern Greek history—the substantial achievement of national unity in the Balkan Wars. But the harvest of war is proverbially Dead Sea fruit, and the attempt to round off and complete the work of 1912 by the same methods produced a gloomy crop of disunion and disaster from 1915 to 1922. From the effects of this disaster Greece is still suffering to-day, as in 1912 she was still suffering from the effects of the war of 1897. Let us hope that, once again, Monsieur Venizelos—returned to office with so clear a mandate—will succeed in drawing her out of the slough of despond. And we may hope this without implicitly forecasting that Monsieur Venizelos will seek this time to satisfy certain baffled Greek aspirations by once again breaking the peace. We do not for a moment believe this—first, because Monsieur Venizelos is too able a statesman not to have read the signs of the times; and secondly, because he was a great peace Minister before circumstances ever made him a great protagonist of the efforts of diplomacy by the instrument of war. His greatest achievement of statesmanship hitherto has been the wonderful transformation of the internal life of Greece, which he accomplished between his first advent to power in 1910 and the outbreak of the Balkan Wars in the autumn of 1912; and this was a triumph of the arts of peace. It would be a happy thing if he were now to crown his political career at Athens by repeating the work of national regeneration with which he opened it 18 years ago.

Governor Smith's Platform.—In his formal acceptance of the Democratic nomination for the Presidency of the United States, Governor Smith, of New York, lays out the line of his campaign. The handling of the Prohibi-

tion Laws is to be his chief point of attack, and he goes back to Thomas Jefferson and the traditional foundation of the Democratic Party in "States rights." He very solemnly pledges himself to the enforcement of the laws as they stand at present, but he will also strongly urge a modification of the Volstead Act, which is the law enforcing prohibition, on the basis of a scientific definition of the alcoholic content of intoxicating beverages. The Congress of the United States, according to his ideas, should decide on a definite maximum of alcoholic content, but each State could pass legislation, within the limits prescribed by Congress, in the way best suited to local needs. With regard to the Eighteenth Amendment of Constitution itself, he would amend the Amendment so as to give each individual State the right to hold a popular referendum to determine whether or not that State could import, manufacture, and sell alcoholic beverages, and the sale to be entirely controlled by the State itself. He would not, however, bring back the old "saloon" into this scheme. By comparison, other features of his programme sink to secondary importance. As would be expected, he attacks the Republican administration record of the past seven years on various points. On foreign policy he contends for the rights of foreign States to administer purely local affairs without outside interference, and particularly emphasises his disapproval of the present Government's Latin-American policies. The Kellogg Peace Treaties are approved in principle, but criticised because of the fact that they are vitiated by reservations. He touches lightly on tariff policy, declaring for a scientific analysis of this problem rather than taking any definite stand on the subject of high or low tariff himself. His policy for the redemption of agriculture also seems vague, and this will be a critical point in the campaign.

American Cotton Crop.—Our Manchester correspondent writes:—The important annual report on the American cotton crop issued by Colonel H. G. Hester, the secretary of the New Orleans Cotton Exchange, who is known throughout the world as the veteran cotton statistician, received by mail, supplements the meagre details previously cabled. Many important points are brought to light. He gives the commercial crop for the twelve months ended July 31st as 14,443,934 bales, which shows a decrease on the previous year of 4,761,995 bales. The grade of the crop was one of the best on record, averaging middling to strict middling, with a decided leaning to barely strict middling and with comparatively little below $\frac{3}{8}$ inch staple. There was almost a complete absence of low grades. The average price of middling was 19.72 cents, compared with 12.96 cents last year, which means that the American cotton farmers received 37.54 dollars more for each bale of lint cotton than they did for the monster production of 1926-27. Actually the 19 million bale crop in the previous year realised 210,000,000 dollars less than the 14 million bale crop of the season just ended. The export of cotton in round numbers was 7,830,000 bales. Germany again led with 2,177,000 bales, Great Britain took 1,440,000 bales, France 895,000 bales, and Italy 696,000 bales. The exports to the Orient were a million bales less than the previous season.

An International Law Conference.—Warsaw recently welcomed American, English, German, Austrian, Hungarian, French, Spanish, Dutch, Italian, Swedish, Norwegian, Japanese, and other members who attended the 35th Conference of the International Law Association. Though Warsaw seems to many so remote, the attendance was considerable, and the Conference carried through some useful work. After the inaugural meeting, two sections sat concurrently until the last day. This increased the number of subjects appearing on the agenda for six days of meetings. Even where it takes definite action, the association, as a body of voluntary workers not claiming any official status, cannot carry a project beyond its preliminary stages where the purpose in view involves the adoption of an international convention, with national legislation following to make it effective. Therefore, the association had handed over for official attention some draft rules, settled at the last Conference in Vienna

two years ago, for determining the national law applicable to a contract of sale of goods where seller and buyer, being of different nationalities, neglect to agree expressly on that point. It had been successful in arranging with the Dutch Government for this subject to be brought before a Conference on International Private Law at The Hague early this year. Some incidental points which had arisen at this official Conference were now further discussed at Warsaw. While it was necessary that this feature should be considered, it had not an interest equal to that aroused by the steps taken to formulate a set of common-form clauses for incorporation by reference in c.i.f. contracts, which was the main constructive work done at the Conference. In this matter of drawing up what is substantially a standard form of contract for merchants to use if they choose in making c.i.f. bargains, the association was able to carry the whole matter through to a conclusion. As in the case of the York-Antwerp Rules of General Average, for which this same body was responsible, the success of the work done depends simply on whether it commends itself to the commercial and financial community, and becomes usual in everyday transactions. The general average rules are well established, and now another set of clauses—defining the rights and obligations of sellers and buyers on c.i.f. terms—has been put forward. Undoubtedly there has been a desire, especially on the Continent, that such a form should be made available. Although in particular trades (in coal and grain, for instance) established forms of c.i.f. contract are in use, there are many miscellaneous transactions where no set of conditions can be imported by a concise phrase, or, rather, could, for now a reference to the "Warsaw Rules, 1928," will bring in a series of clauses which may meet the need. Whether they actually will do so remains to be seen. As to international cartels, two continental jurists presented papers examining the legal aspect of these organisations, and urging the association to appoint a committee to study the legal problems arising. This followed a discussion earlier in the Conference, at which suggestions for the regulation of unfair methods in international commerce had been the subject, and some members urged, during the debate on cartels, the need for industries in small countries to be protected. The discussion was thus projected into the economic sphere, and it became necessary to widen the terms of reference to the committee to be appointed. In a more academic atmosphere the Warsaw Conference discussed some other subjects—e.g., laws of war in occupied territory, extradition, neutrality, international codification, effect of war on contracts, and aerial law, as well as commercial arbitration. The latter part of the proceedings of the Conference were shadowed by the sudden death of the senior hon. secretary of the association, but the agenda was gone through to its conclusion.

Foreign Claims Against Mexico.—Few perhaps will expect too much to emerge from the deliberations of the Anglo-Mexican Claims Commission, whose preliminary sitting took place on August 22nd. Nearly 18 years have passed since cause for compensation first arose. During that period, in addition to innumerable official promises that justice should be done, commission after commission has been nominated, has sat, and has dispersed without presenting any considered proposals. After the Francisco Madero revolution of 1910, when so much damage was done to foreign property in Mexico, the Government expressed its pious intention to accept "full moral and financial responsibility." It is impossible to state with any approximate accuracy the gross total of claims for personal and property damage arising from revolutionary disturbances in the Mexican Republic since 1910. By the beginning of 1920, however, which was fixed as the ultimate date for sending in claims, there had been already lodged 452 foreign claims for 22,764,136 pesos, and 298 Mexican claims for 18,419,351 pesos, or a total of 41,183,487 pesos. Two years later the United States Government presented, upon behalf of its injured citizens, amended claims amounting to 2,400 in number, and representing a total of some millions of dollars. In November, 1917, General Alvaro Carranza, who had been elected Constitutional President in March of that year,

announced that "nationals and foreigners would be indemnified for damage since the Madero movement," and he appointed several committees to study claims and damages, which, he added, "would be paid in Government certificates of an interior loan to be created." Two years later he issued a decree amending the claims-law so as to admit of the presentation of further demands as a result of further revolutions. He went further, and appointed a special financial representative, Señor Rafael Nieto, to study such claims presented by native and foreigner alike. At the same time an intimation was sent to the Department of Overseas Trade, from the British Legation in Mexico, to the effect that a presidential decree had been promulgated notifying the date upon which British claims must be sent in. Then, as outcome apparently of the recognition of the Mexican Government by the United States, a treaty was arranged by which the special claims of all foreigners injured by revolutionists, mobs, mutineers, and bandits should be heard and settled. But another year passed (September, 1925) before negotiations were resumed, this time upon a diplomatic basis, upon behalf of the claimants. His Majesty's Government and the Mexican Government agreed to submit their cases to a Mixed Commission, and thereafter "to proceed to draw up a convention governing the procedure to be followed." Relying upon the official announcement, many British residents and limited companies sent in their claims to the British Legation at Mexico City. Still nothing was done to settle them. In March, 1927, yet another convention was concluded between the two Governments for the adjustment of the claims, but it is a matter of history that nothing was settled. It may be assumed that consideration will be given by the latest Commission to the claims of companies whose properties have been confiscated, invaded, or damaged during the past 18 years. Prominent cases are those of the Mexican National Packing Company, whose entire possessions were confiscated in 1914, and of the Interoceanic Railway of Mexico and its two principal subsidiaries (the Mexican Eastern and the Mexican Southern Railways), whose lines were "taken over" in the same year, but which the Carranza Government—although solemnly promising (June 16, 1922) to return them to their owners—did not restore until January, 1926. And there are many others. How will the Anglo-Mexican Claims Commission deal with these?

Haiti's Visitation.—A correspondent writes:—The hurricane disaster that has visited the West Indian island of Haiti, and involved that Republic in great financial trouble, came upon it just when the unobligated cash balance stood at the highest and the net public debt at the lowest point on record since the Americans had taken charge of the country's economic interests. At the end of June last the gross debt of the small black Republic stood at G.95,020,000*; due to the increase in the unobligated cash balance the net debt had declined to G.75,544,000. The country's favourable trade balance for the present year (to the end of June) amounted to G.26,899,000, compared with G.10,982,000. for the corresponding period of the previous year, or, say, an increase of 145 per cent. For some time past the circulation of currency had been falling, but at the period of the hurricane it happened to stand higher than at the same time last year. The coffee crop was not at all promising, however, and now has been almost completely destroyed. Inasmuch as Haiti is entirely dependent upon this crop, which represents usually 80 per cent. of the total exports (averaging this season about 2,767,000 kilos in weight and over G.1,816,000 in value), the present outlook is thought to be very poor. Sugar production, following upon nine good months, when the exports reached 10,868,000 kilos (against 7,314,000 kilos) and were worth G.2,957,000 (against G.1,927,000), seemed also likely to prove disappointing this season, for only one centre was operating in July instead of at least three or four, as should have been the case. Now the hurricane has practically wiped out many of the sugar estates, besides damaging what remained of the harvested crop.

* 1 gourde = 20 cents = 10d.

speculative excesses of the spring, and so have conserved credit resources for autumn needs. But a hesitant policy finally brought them to the autumn with only a small contraction and with a high money market. The authorities apparently have decided that to have refused to issue the additional credit needed for seasonal demands would have made the country pay too high a price for ineptitude early in the year. One of the chief sufferers from the money policies followed during the past year is the Treasury. It is faced with the task of refunding over \$1,000,000,000 of Liberty Bonds on September 15th, and in a money market that at the present time would require an issue of certificates yielding about 4½ per cent. Current indications still indicate that the tide of business is running strongly, and that it will continue to do so through the autumn. The crop reports are very favourable.

FRANCE.—BUDGET OF 1929—EXTERNAL TRADE—IMPORT BALANCE—TRADE WITH BRITAIN—HARVEST PROSPECTS—JULY REVENUE.

(FROM OUR CORRESPONDENT.)

PARIS, August 22.

THE political holidays being virtually over—although the Chambers will not meet, in all probability, until October—M. Poincaré yesterday presented to the public a very substantial digest of his Budget for 1929. The coming Finance Bill will provide for a strictly balanced Budget, based on the doctrine that the present level of taxation is one that will not be henceforth exceeded. There are to be no new taxes, and no increases in existing ones; nevertheless, M. Poincaré has accomplished the miracle of providing for several milliards of additional expenditure, while appreciably lightening the burden of a large proportion of the smaller taxpayers. The Estimates put in by the War, Admiralty and Colonial Departments called for 4,000,000,000f more than last year; M. Poincaré has cut this down to 1,000,000,000f, which is to be devoted solely to new credits rendered necessary for Army reorganisation and the preparation for reducing the present 18-months' term of service to one of 12 months. Other proposed fresh expenditure provided for includes 1,200,000,000f for new public works, chiefly in connection with navigable waters and in the colonies; 100,000,000f as the Government's first instalment on account of the new Loucheur housing plans; 500,000,000f for bringing the pay of the remaining categories of public servants nearer the level required by present-day conditions; 323,000,000f more for mutilated war pensioners and their parents and grandparents; 157,000,000f more for non-remarried war widows; 133,000,000f to increase pre-war civil and military pensions by a further 10 per cent. (representing a nominal post-war increase of 80 per cent.). On the other hand the level of abatement for income-tax (which was fixed at 6,000f when the impost first came into operation just before the war, and subsequently raised to 7,000f) is to be raised to 10,000f so far as incomes derived from wages, salaries, or non-commercial professions are concerned. A concession to larger income-tax payers takes the form of a proposal that in future the total tax payable shall not exceed one-third of the assessable income. At the same time it is proposed that income derived from interest on bank deposits shall in future be brought under the tax, which may strike unfriendly critics as an ingenious device for obtaining information which is at present unobtainable by the revenue authorities, owing to the sanctity of private banking accounts. The Bill will also foreshadow a plan for the unification of agricultural production.

Basing his revenue estimates on the actual yield from the various taxes during last year and the present one, M. Poincaré proposes to utilise for Budget purposes next year 1,000,000,000f of the yield from the Dawes Plan for Reparation payments. This money, M. Poincaré emphasises, will be applied solely to meet expenditure arising directly from the war, and not for new Budgetary expenditure.

The foreign trade figures for July show that (for the fifth month in succession) imports again exceeded exports, and that the visible exchanges resulted in an ad-

verse balance of 185 millions. Added to the unfavourable balances of five out of the previous six months, this brings the total deficit since the beginning of the year to 1,185,000,000f. The detailed figures (in francs), as compared with those for the first seven months of 1927, are as follows:—

	(000's omitted.)		Difference for 1928.
	1927.	1928.	
Imports—	Francs.	Francs.	Francs.
Foodstuffs	8,450,166	6,538,542	- 1,911,624
Raw materials	19,345,800	19,618,106	+ 272,306
Manufactured goods	3,320,551	4,218,917	+ 898,366
Totals	31,116,517	30,375,565	- 740,952
Exports—			
Foodstuffs	2,859,652	3,663,703	+ 804,051
Raw materials	9,813,794	7,404,684	- 2,409,110
Manufactured goods	18,656,946	18,122,306	- 534,640
Totals	31,330,392	29,190,693	- 2,139,699

The tonnage return reveals that, although the value of both imports and exports has dropped substantially—that of the former by nearly 2½ per cent. and that of the latter by nearly 7 per cent.—imports during the seven months were 1,834,457 tons in volume (or over 6 per cent. less), while exports were 1,912,415 tons (or 6.2 per cent.) more. The decrease of 534½ millions in French exports of manufactured goods was more than compensated for by an increase of over 800 millions in exports of foodstuffs exported, this being doubtless largely due to the recent abrogation of the whole of the prohibitions against export of agricultural produce that have been in force for many months past. At the same time, the increase of over 27 per cent. in imports of foreign manufactured goods, in spite of largely increased Customs duties, plus a drop of nearly 3 per cent. in exports of French products of the same kind, is causing some concern amongst industrialists here.

Nearly one-half of France's loss of foreign trade since the beginning of the year is represented by the drop of her sales to Great Britain, which were 1,053 millions (nearly £8,500,000, or 20 per cent.) less than during the first half of 1927. This reduction still leaves Britain France's best customer by far, with Belgium and Luxembourg (3,558,587,000f), Germany (2,966,000,000f), Switzerland (1,669,000,000f), and the United States (1,563,000,000f) next in order. The decreased volume of French exports, however, is more apparent than real, as the high totals of last year were to some extent due to the artificial conditions arising from the then prevailing lack of consistency between world commodity prices and French prices quoted in unbalanced francs.

Unofficial estimates of the wheat harvest place this year's crop at between 65,000,000 and 70,000,000 quintals—or about 5,000,000 quintals below that of 1927—to meet requirements of 90,000,000 quintals. This means that some 20,000,000 quintals of foreign corn will be needed to make up the deficit. This should not be difficult to obtain, and at moderate prices, in view of the exceptionally good harvest in Canada and the United States. The French grain, although smaller in quantity owing to the severe winter frosts and the exceptionally wet spring, is reported to be of unusually high quality, as the result of the good weather for many weeks past, and is expected to average between 76 and 78 kilogrammes to the hectolitre, as against only 74 kilos in 1927.

The revenue returns for July indicate a total yield from all sources (exclusive of that of the Postal Department and the Caisse d'Amortissement) of 4,260,438,000f, which is the largest since October. Direct taxation produced less than half the total received in July, 1927, owing to closer collection. The yield from indirect taxation, on the other hand, was 313½ millions more than in the previous July (and over 367 millions more than M. Poincaré expected). The turnover tax, which is now by far the highest in the list, yielded 859 millions during the month, or 33 millions more than expected and 67 millions more than in July, 1927 (after allowing for the fact that application of this tax to exported goods has since been suspended). The total yield for Budget purposes during

the first seven months of the year was 23,945,666,900f, to which must be added 3,888,329,000f received by the Caisse d'Amortissement. The yield from normal and permanent sources during the seven months was 916,583,700f more than during the corresponding period of last year, and 1,672,437,700f more than Budget estimates.

GERMANY.—ECONOMIC COUNCIL—CREDIT—FINANCES—INDUSTRY—SHIPBUILDING—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, August 21.

THE Cabinet has sent to the Reichstag a Bill creating a definitive Federal Economic Council, the Reichswirtschaftsrat. The origin and history of the Provisional Economic Council and the first plan for a definitive Council were described in the *Economist* of January 22, 1927. The new Bill differs from that plan in some details. The number of members in the Provisional Council was 326. The number was reduced in the plan to 123 on the ground that the Council as a whole (the plenary assembly) had ceased to function and even to meet, all work being done by 110 members of specialised committees. The new Bill puts the number of members at 151. This has made necessary a change in the number of members in the "Divisions" (*Abteilungen*) and in the "Groups." The Divisions for Employers and Employees (Nos. I. and II.) will each contain 48 members. Division III., which represents various public and social interests, will contain 55 members. Division II., as before, will not be divided into groups; it will simply represent the employee class as a whole, with, however, a guarantee that non-manual worker employees shall be sufficiently represented. The First (Employers') Division will consist of groups of 13 representatives of Agriculture and Forestry, 12 of Industry, 6 of Handwork, 7 of Trade, 4 of Banking and Insurance, and 6 of Communications and Fisheries. The largest group in Division III. will represent the urban and rural municipalities. Other groups will represent Social Insurance, Consumers', Co-operatives, and Housewives, Agricultural and Industrial Co-operatives, the Press (2 representatives), and the Officials and Professions. In Division III. will also be a group of 12 members nominated by the Reichsrat from among persons familiar with economic conditions in different parts of the Republic, a group of the same number nominated by the Cabinet from among persons who have rendered or can render special services to business, and one representative of Germans abroad. The plenary assembly is left very little power; in general only the power to vote on Bills prepared by the committees. The most important new power of the Council (in practice of the committee) is that it can compel the Government to submit its Bills to the Reichstag even if the Government does not approve of them. But the Council remains advisory. The Bill is unfavourably regarded by industry, which complains that it is not sufficiently represented. The Government is drafting a Bill creating a Federal Court of Administration in accord with the Constitution. The function of the Court is to give citizens a right of appeal against official measures. Already the States have such Courts, but their competence is limited—in Prussia, for instance, to police ordinances—and their decisions are not co-ordinated. The Federal Court will have considerable political importance, being the highest instance for ruling on prohibitions of publications and associations.

Money last week was dearer in connection with the mid-month settlements; but day-money began the week easy, and to-day quoted 4½-6½ per cent. The Reichsbank's return for August 15th is satisfactory. Discounts declined by 304 million marks, which is a large sum in view of the big decline in the first week of August. The discount portfolio is only 2,006 million marks, as against 2,242 millions at the same date of July. Circulation declined by 214 million marks to 4,134 million marks, as against 4,225 million marks at the same date of July. Advances rose by 32 million marks, and deposits declined by 47½ million marks. The gold reserve has further risen by 9 million marks to 2,241 million marks. The general

belief is that after the demand for the crops is satisfied the credit pressure will slacken as a result of declining trade.

Revenue from taxation in July totalled 1,082 million marks, as against 556 million marks in June. The July figure creates a high record. This is partly explained by quarterly direct tax payments and by Customs payments on goods released from bond, but it is nevertheless 171 million marks above the total of July, 1927, the last preceding month with the same conditions. Revenue from taxation in the first four months of the financial year was:—

	(Millions of Marks.)	
	April-July, 1928.	Estimated for Whole Year.
Total	3,170	8,862
Thereof direct taxes	2,235	6,060
„ Customs and Excise	934	2,802

The controlled revenues (Customs, tobacco, sugar, beer, and spirits monopoly) yielded 919 million marks out of 2,760 million marks estimated for the whole year. The total taxation yield of the four months is 216 million marks, more than one-third of the year's estimated; but this is not particularly satisfactory in view of the fact that the four months included two quarterly payments of direct taxes. Revenue in excess of the year's estimated cannot therefore be taken for granted.

The wholesale-prices index number for August 15th is 141.7, as against 142.2 on the 8th. The industrial outlook, in particular for the finishing manufactures, is not good. Whereas last year unemployment, under combined seasonal influence and improvement of trade, declined until mid-October, there are signs that this year the decline is already near its end. Although the unemployment insurance figures still show improvement, the trade unions report for July, for the first time this year, shows an increase in the percentage of unemployed members. The percentage of fully-employed in all trades is 6.3, against 6.2 in June; of partly unemployed 6.1 per cent., as against 5.6 per cent. The income limit for compulsory social insurance for non-manual employees has been raised by ordinance from 6,000 marks to 8,400 marks. June railway receipts for the first time this year show a slight decline as compared with June, 1927. The half-year's receipts are, however, higher than in 1927:—

	(Millions of Marks.)			
	Goods.	Passengers.	Various.	Totals.
1927	1,537	632	178	2,348
1928	1,572	679	198	2,450

Reports from the textiles industries are unsatisfactory. The percentage of fully-unemployed in the textiles trade unions is 7.6, as against 7.0 in May; partly unemployed 23.7, against 17.9. The textiles trade Press is conducting a propaganda against imports from England, in particular against imports of cloth. Imports of English cotton goods in July showed a sharp decline, as compared with last year. Ruhr coal production in July totalled 9,418,920 metric tons, or 362,266 tons per working day, as against 359,324 tons per working day in June. The average daily production in the last reported week shows a considerable recovery. Ingot steel production in July was 1,311,134 metric tons, as against 1,294,538 tons in June; in the first seven months 9,225,733 tons as against 9,315,649 tons in the same months of 1927. The Ingot Steel Syndicate's price rebates to exporting manufacturers will remain unchanged in September. The steel export market is very firm, and prices are maintained, and for certain sorts increased.

The outlook for shipbuilding is bad. The launch last week of two 46,000-ton vessels for the North German Lloyd means a big drop in tonnage under construction, which at the end of the half-year was about 350,000 tons. The restoration of the German commercial navy is practically finished; its completion to the 5,500,000 tons of before the war is made unnecessary by, among other factors, the circumstance that the present tonnage is largely modern, and therefore capable of doing relatively more work than the pre-war fleet. Shipbuilding circles declare that foreign prices are considerably below German production cost; and that at the same time competition has brought German prices so low that no new constructions are possible without loss. Strong interests have for some time been engaged in fusion plans with the aim of eliminating the weaker yards.

The Prussian Minister for Trade has sanctioned the Bourse Committee's resolution to abolish the mid-monthly settlements of forward stock purchases and sales. The decision comes at once into force. Stocks fell slightly last week, the chief sufferers being in the electrical, motor-car, and artificial silk groups. The stocks index for August 17th was 141.36, as against 142.50 on the 10th. This week the Bourse began inactive and irregular, and to-day was weak, but recovered towards the end.

HOLLAND.—IMPORTS AND EXPORTS—UNEMPLOYMENT—CAPITAL ISSUES—THE STOCK EXCHANGE.

(FROM OUR CORRESPONDENT.)

AMSTERDAM, August 6.

The returns for Holland's trade balance for the first half of 1928 show an advance, especially as regards imports, so that the import balance has increased by no less than 80,000,000 guilders compared with the first half of 1927. According to the official returns of the Central Bureau of Statistics, the value of Dutch imports during July last was 231,810,886 guilders; of the exports 147,838,864 guilders, and of the import balance 83,952,022 guilders; the figures for the first six months of this year were: imports, 1,343,764,536 guilders; exports 933,736,972 guilders; import balance 410,009,564 guilders. During the first six months of the years 1925-28 the value of Dutch imports, exports, and import balance was as follows:—

(In Millions of Guilders.)				
January-June—	1925.	1926.	1927.	1928.
Imports	1,186.4	1,221.8	1,227.4	1,343.7
Exports	841.8	791.2	897.2	933.7
Import balance..	344.6	430.6	330.2	410.0

The value of Dutch imports during the first half of 1928 was about 116.3 million guilders more than in the corresponding period of 1927. The value of the exports in the first half of 1928 was, on the other hand, only 36.5 millions higher than in January-June, 1927. The weight of the imports and the exports during the first half-year of 1925-1928 was as follows:—

(In Metric Tons.)			
January-June—	Imports.	Exports.	
1925	11,931,034	5,466,520	
1926	13,253,677	6,589,979	
1927	13,505,105	6,844,292	
1928	14,238,780	7,145,652	

On the whole, the value of the exported agricultural produce (excepting vegetables) was less in January-June, 1928, than in the corresponding period of 1927. The value of the exported industrial products, on the other hand, was higher this year. The value of the imports into Holland from the six principal countries was as follows:—

	January-June, 1927.	January-June, 1928.
Germany	310,013,780	351,436,177
Belgium	127,174,315	154,926,870
Great Britain	121,376,048	129,492,424
France	59,379,178	65,287,356
U.S. America	134,682,722	141,249,289
Dutch East Indies	54,617,822	73,083,985

It will be seen that the value of imports from England in the first half of 1928 was greater than in the corresponding period of 1927. The value of the exports to England, however, decreased, while the value of the exports to U.S.A. and the D.E.I. increased considerably, as will be seen from the following figures:—

Dutch exports to—	January-June, 1927.	January-June, 1928.
Germany	224,647,778	221,756,601
Belgium	77,273,637	75,976,660
Great Britain	218,592,522	205,634,811
France	65,300,923	61,250,967
U.S. America	25,944,189	27,330,325
Dutch East Indies	61,463,727	90,236,625

The increase in the exports in the first half of 1928 is chiefly due to the increased export of industrial products, which is also a sign of the revival noticeable in all branches of industrial life. The unemployment returns for the Netherlands are likewise a clear proof of the improved state of affairs in commerce and industry.

On the whole, unemployment was still more pronounced in January, 1928, than in January, 1927. Signs of improvement are, however, evident in the following month, as will be seen from the official returns given below:—

GENERAL INDEX FIGURE.			
	1927.		1928.
January	13.2	....	13.8
February	11.0	....	7.3
March	7.5	....	5.0
April	6.1	....	4.0

Owing to this the issue market also has assumed a brighter aspect, and despite the holiday period, even more capital was issued during July than during the preceding month, namely, 53 million guilders against 50 millions. Although foreign loans are still predominant the total value of the Dutch loans issued during the first seven months of 1928 shows a considerable increase compared with last year, namely, of 93 million guilders to 168 millions. This increase is chiefly accounted for by the issue of industrial shares, which, again, may be considered as a sign of the great revival in Dutch industrial life. Below we give a list taken from *De Telegraaf*, comparing the Dutch and foreign stock issues during the first seven months of 1928 and the corresponding period of 1927:—

(In Millions of Guilders.)							
Dutch—		Foreign—		Total—			
1927.	1928.	1927.	1928.	1927.	1928.		
January	9	25	31	16	40	41	
February	2	32	52	28	54	60	
March	19	39	24	48	43	87	
April	9	7	23	28	32	35	
May	19	20	23	43	42	63	
June	24	26	32	24	56	50	
July	11	19	28	34	39	53	

As a contrast to the preceding months Germany has lately made but little call on the Dutch capital market. The Amsterdam money market is still amply supplied. This is contrary to original expectations, for when the discount rate in America was raised to 5 per cent. on July 14th last it was generally expected that our market also would become firmer.

DENMARK.—PRICES—BUSINESS IMPROVEMENT—UNEMPLOYMENT—BALANCE OF TRADE—NOTE CIRCULATION.

(FROM OUR CORRESPONDENT.)

COPENHAGEN, August 15.

PRICES are still decidedly stable, as indicated by the official index computations. For the months of May, June, and July the wholesale price index of the Statistical Department was unchanged at 155 (1913 = 100), against 154 for December, 1927. Retail prices likewise show stability, the quarterly cost of living index being 176 for July and October, 1927, as well as for January, April, and July, 1928 (against 100 for July, 1914). In the second quarter of 1928 there was a rise in food prices, while fuel and light were somewhat cheaper. The rise in food products is also traceable in the "Articles of consumption" division of the wholesale price index, the food group showing a rise of from 149 to 153 from April to July. It further appears that in the said period the figure for animal food has risen from 133 to 143, which is particularly to the benefit of agriculture, as these goods are the principal export products.

The computations of the Statistical Department are divided into sections for import goods, export goods, and home market goods, and in the period April-July the first-mentioned have risen from 150 to 151, and export goods from 128 to 140, while the home market goods have declined from 166 to 164. A marked improvement in the prices of pigs and of butter is recorded, and this has been of great importance to agriculture, for which conditions have been very difficult for a long time. Even if the character of the situation for this our principal trade has not yet changed, the rising prices have created a little more optimism, which exerts some influence on other trades. Statements made in public are still very tentative; but, generally speaking, they are to the effect that depression has probably passed its climax, and that some pro-

gress may be expected. Commercial circles especially are more confident. A fact of great importance is the rather promising crop prospects. A good crop well housed would benefit all trades in the same manner as the rise of prices just mentioned, and consequently its effects would appreciably influence the situation in the towns, which have suffered in many ways from the failing purchasing power of the farmers. During the depression the manufacturing trades have been without sufficient support by the home market in various respects, but from the reduced number of unemployed, as compared with last year, it appears that the situation has already improved. Last week the number of unemployed declined from 38,276 to 37,511, the commencement of harvesting operations absorbing a number of hands. The number of unemployed is now about 14,000 below 1927 figures. The percentage of unemployed at the end of July was 13.5, against 17.2 last year at the same time, and 16.8 in 1926. Compared with the years 1923-25, however, the percentage is considerably increased, while for the period 1910-13 the percentage of unemployed at the end of July was about 5 only.

The balance of trade for the last few months has been satisfactory. In May the imports amounted to 140,000,000 kr, while the exports aggregated exactly the same amount, and in June the imports were worth 138,000,000 kr, against exports to the value of 137,000,000 kr. For the first six months of 1928 the excess of imports was 57,000,000 kr, against 39,000,000 kr for the corresponding period of last year.

The note circulation of the Nationalbank at the end of July amounted to 340,000,000 kr, against 353,000,000 kr last year at the same time. The Bank closed its accounts at the end of July, and for 1927-28 the profits have been 5,700,000 kr. Nearly the entire surplus is absorbed by the regulation of the claims of the State under the currency agreement made in December, 1925; these claims are now entirely settled. A dividend of 8 per cent. is paid to the shareholders, the necessary amount being taken from the dividend regulation fund, as has been the case for the last few years.

ROUMANIA.—CROP SITUATION—EXPORTS.

(FROM OUR CORRESPONDENT.)

BUCHAREST, August 10.

THE grain harvest, except that of maize, is brought in. Unfortunately it has not come up to expectation. In particular the maize crop, the most important of all agricultural products for this country, is seriously compromised by the extremely dry weather in July and the early part of this month. The rains which have fallen within the last few days, though abundant, are said to be too late to make any marked difference. The export prospects for this year are, therefore, not bright, and it is feared that the trade balance may be seriously affected. To reassure the public, which recently became alarmed at the rumours of the failure of the crops, the Government has issued a statement according to which 22 per cent. of the maize is compromised, 38 per cent. is indifferent and 40 per cent. is good. The usual excess of about 100,000 wagons will, therefore, not be available for export, but the needs of internal consumption are amply provided for. In well-informed circles this statement is considered optimistic, and prices for maize have been rising to an alarming extent, being now quoted far above those for wheat. Not much progress seems to have been made with the standardisation problem. It is not looked upon with favour by exporters, as they consider that in a Government organisation there cannot be sufficient guarantee to render the quantity and quality certificates of the Roumanian warehouse authorities of sufficient reliability for acceptance in the world markets. It is advocated, on the other hand, to entrust the execution of the scheme to an independent syndicate of world-wide repute, which commands sufficient capital to create its own organisation on an extensive scale.

The petroleum exports during the first half-year show a satisfactory increase. The total amounts to 1,024,989 tons, against 837,249 in the first six months of 1927. The production from January to June, 1928, has reached the figure of 2,010,000 tons, against 1,757,269 for the same period of last year. All efforts in this industry go now towards cheapening production and transport. To facilitate transport a scheme of commercialisation of the pipelines is under consideration. An offer for the construction of a pipeline Campina-Baicoi-Constanza has been received from the National Supply Corporation, the cost of which is estimated at three million dollars.

CANADA.—WEATHER AND CROPS — BUSINESS OUTLOOK — STOCK MARKETS AND EXCHANGE — NEW RAILWAY TERMINAL SCHEME FOR MONTREAL — THE ST LAWRENCE WATERWAY—POLITICS.

(FROM OUR CORRESPONDENT.)

OTTAWA, August 1.

WEATHER conditions continue to be quite satisfactory throughout the Dominion, and the Western wheat crop is making rapid progress towards a point where it will be out of danger. There have been some very severe hailstorms on the prairies, but the aggregate damage which they have caused is not large, and though rust has made its appearance in some isolated districts it promises not to be a widespread plague as in 1927. A large proportion of the wheat is already headed out, and given a continuance of warm, sunny weather cutting should be fairly general by August 10th. All reports agree that in many places the yields of wheat will be abnormally heavy, running between 30 and 50 bushels per acre, and exuberant optimists are predicting a crop which will run between 600 and 700 million bushels and far eclipse all previous records. But even the most conservative authorities confidently estimate a crop in the vicinity of 450 million bushels, and, unless some disaster intervenes, 550 millions is well within the bounds of possibility. As there is a much larger carryover than usual from the crop of 1927, Canada seems destined to have during the next twelve months an exportable surplus at least 30 per cent. larger than she has had in any previous year. The problem of marketing it is bound to present considerable difficulties, and as a consequence wheat prices are showing a steady downward tendency. There is indeed a prospect that they will go considerably lower, but the volume of grain crop should afford compensation to the farming community and leave its purchasing power as large as ever next winter. The wheat pools of the prairie provinces continue to flourish, and on July 28th they disbursed to their members more than 34 million dollars as a second interim payment of 15 cents per bushel on all grades. The campaigns of the different pools for the renewal of contracts have been very successful, and an acreage substantially in excess of the minimum limit necessary to ensure the continuance of the pools has now been signed up. In accordance with the decision of the Co-operative conference, which was held at Lloydminster, Saskatchewan, in June, plans are now going ahead for the establishment of a wholesale co-operative society on the lines of the English and Scottish organisations of the same kind, whose directors have promised to give it every assistance.

Business conditions remain good, and the promising crop reports are promoting a feeling of confidence that the autumn and winter months will see considerable trade expansion. Hot weather during the past month has produced a brisk demand for light summer clothing of all kinds, and the demands of the country and seaside resorts for groceries and supplies of all kinds are heavy. The

local textile mills are now ready to make delivery of autumn goods, and a tendency to stiffen prices in some lines is reported. Most factories are well provided with orders, and the employment index of the Bureau of Statistics for July 1st stands at the highest figure for any single month since 1920. Shipping at the port of Montreal is very active, and considerable quantities of grain are being exported. Last month the Soviet Government suddenly came into the Canadian market, and bought large quantities of grain, but its purchases had no serious effect upon prices. As a consequence of lowered grain prices there was a reduction last week in price of flour, which is now less by \$130 per barrel than it was a year ago. The directors of the Steel Company of Canada are sanctioning a development programme which will entail an expenditure of between six and seven million dollars within the next two years. It will increase the capacity and operating efficiency of the company's plants, and will establish a better balance between steel producing and finishing capacity.

The penetration of American capital still continues, and the latest important Canadian concern to fall into the maw of American interests is the Christie-Brown Company of Toronto, the largest manufacturers of biscuits in the Dominion, control of which has now passed into the hands of the great American corporation known as the National Biscuit Company.

The stock markets are experiencing their usual mid-summer spell of quietude, and the volume of business transacted is comparatively small. The newsprint stocks are still being subjected to a good deal of selling pressure, and some issues are now lower by 30 per cent. and even more than they were in the spring; the common stock of the Abitibi Pulp and Paper Company, which sold as high as 83 a few months ago, is now below 50. But other issues have held up fairly well, and the index number published by the Dominion Bureau of Statistics for the week ending July 26th, and covering the 25 best-selling industrial and public utility stocks on the Montreal and Toronto Exchanges, was 386.2, as compared with 384.7 for the previous week. The mining markets have likewise been quiet, and the weighted index compiled by the Bureau of 17 leading mining stocks—based on 1926—was 130.4 for the week ending July 26th, as compared with 130.8 for the week ending July 19th. The earnings of both the railway systems continue to be very satisfactory, and the net profits of the Canadian Pacific Railway for June, placed at \$2,877,184, showed a gain of \$612,731 over the figure for June, 1927. For the first half of 1928 also the railway shows net earnings of \$16,451,737, as compared with net earnings of \$13,012,299 in the first half of 1927, which is a gain of nearly 25 per cent. There has been a sudden recovery of Canadian exchange in New York, and from being quoted at a discount of almost half a cent a week ago it is now nearly a quarter of a cent above par.

A mystery still surrounds the fate of the application of the Beauharnois Light Heat and Power Company for authority to proceed with its projected canal, and there is now some doubt whether the necessary authority has been granted. But the hostility of Premier Taschereau of Quebec to the general waterway scheme seems not to have abated, for there was lately published a letter written by him to the secretary of an American organisation known as the Great Lakes Hudson-Waterway Association, in which he declared his view that the St Lawrence project was still in a very indefinite form, and "until it becomes more definite I cannot withdraw my opposition to it, especially in view of the fact that the project infringes upon the provincial rights which the Province of Quebec is anxious to uphold." Generally speaking, the political world is in a state of quiescence, and Premier King has announced that he will proceed at the end of this month to Europe for the purpose of signing the out-lawry of war treaty, attending the assembly of the League at Geneva, and opening the new Canadian Legation in Paris. The Conservative victory in British Columbia was much more decisive than anybody anticipated, and the existing Liberal Ministry, which was left with only a fourth of the seats in the Legislature, has no alternative to immediate resignation.

Letters to the Editor.

MONETARY POLICY AND PROSPERITY.

TO THE EDITOR OF "THE ECONOMIST."

SIR,—“Rationalisation” is, as you rightly say, a vague and clumsy word. I am not sure that many people grasp its meaning, but if the processes defined by the word are to be “carried out to the utmost,” it becomes rather essential that we do understand them.

Some of the phrases in your article rather alarm me. If your readers will invest 6d in the purchase of the *Ministry of Labour Gazette* for February, 1928, they will receive an illuminating set of diagrams. Diagram 1 shows that the general wage level has not changed since the beginning of 1923. Diagram 3 shows that there has been a definite fall both in wholesale prices of food and in the working-class cost of living. The correlation of these diagrams proves that the workers of this country are definitely better off at the end of 1927 than they were at the beginning of 1923.

This is a very comforting state of affairs, and any theory to the effect that it is a true reflection of our growing prosperity will obviously receive wide support. But the business of an economist—and particularly of a journal of perhaps the greatest economic traditions in the world—is not to argue in favour of what is popular, but of what is true. And I have only to turn to other columns of your same issue to awaken serious doubts as to the wisdom of such a policy of wage-maintenance in the face of falling prices. On p. 311 you report that during January-July, 1928 “there has been a definite shrinkage in the volume of our raw material imports, as well as in their value,” and on p. 304 you state that the Federal Reserve authorities, in spite of their efforts, have not prevented a general sagging movement in prices.

I do not wish to say that improvements in methods of production, and harder work may not lessen the strain due to the growing disparity between wages-costs and cost of living, but I do submit that any government who encourages a belief that such a policy can be adopted—with reasonable hope of final success—is accepting a most grave responsibility, and one that should first be threshed out with all the leading economists of the country. For this road, if it does not lead to prosperity, can only lead to increased adversity.

—Yours faithfully,

Sevenoaks, August 20th.

[The *Labour Gazette* makes no attempt to give statistics of wages-costs. Mr Fleming, like Mr Keynes, has failed to draw the distinction between wages-costs and wage-rates. It is the former and not the latter which affect prices and our ability to compete.—Ed., ECON.]

OWEN FLEMING.

Books and Publications.

INVESTMENT AND SPECULATION.*

MR A. S. WADE, the City editor of the *Daily News* and *Star*, has produced a useful little book to tell the plain man and his wife about his money, and the best means of making good use of it in investment and speculation. It is perhaps to be regretted that about half the book is devoted to a discussion of the gold standard and the effect of monetary policy on securities, which is more likely to confuse than to enlighten the readers for whom Mr Wade designs his work. It has also a slightly political flavour, and seems to express a certain amount of prejudice against those who have lately guided our monetary policy. He tells us that this policy had two ideals: “One was to conciliate America by settling our debt and helping her to use her hoard of gold; and the other, less heroic, was to make our debtors abroad—those whom our investors had lent money to in sterling loans—pay us in terms of gold rather than depreciated pounds. All the bankers stressed the former point and hid the latter! but in the City the latter was much more cogent than the former.” This account of the reasons why England returned to the gold standard is surely hardly fair to the commonsense of the country; and when Mr Wade goes on to say that “while the rentier took his holiday on

* “The Plain Man and His Money.” A Guide to Stock Exchange Investment and Speculation. By A. S. Wade, Financial Editor of the *Daily News* and *Star*. Nisbet and Co. 2s 6d net.

the Riviera, the Bank of England and the Treasury were working for him at home, increasing the value of his Government stocks and transferring to him values which had been built up by citizens with few or no investments; taking taxation from them to swell the rentier's purse,” he is surely giving a somewhat one-sided statement of the process that was actually happening. When he says that “one word—policy—explains the rise in Government and other gilt-edged securities in the past eight years,” he is not consistent with his own statement on a later page that “since the world began to reconstruct itself from the waste and loss of war there have been many temporary factors making for a purely temporary high rate of interest,” for the cessation of this temporary high rate of interest would naturally produce a rise in securities. He also overlooks the fact, lately so effectively demonstrated by Mr Runciman, that in fact British Government securities have recently failed to rise, while the bonds of other Governments have been appreciating.

When he comes to the more practical aspect of his problem it is interesting to find that he believes that stockbrokers' tips in the majority of cases bring a profit to those who follow them. “A man,” he says, “following the advice of a careful stockbroker over a number of investments and speculations will invariably on the average get a good result, but the man who plunges on a single hint for all he is worth may come to a nasty fall.” And Mr Wade's observations, in which he sums up the problem of speculation, are eminently sound. “The essential points,” he says, “in any speculation should be that there is in the thing in which one speculates a basis of real value; that one does not rush into it blindfolded; that one does not use in speculation any money that would endanger the fulfilment of one's obligations or responsibilities. Each reader can settle for himself what is the application of these principles to his individual case.” He also makes some very sensible observations on the subject of trust companies, and lays stress on the highly important fact which is too often neglected by those who write on these subjects, of the high cost of investment and speculation, with the result that, as he says, if one buys 100 shares for £100 and sells again for £103 14s one has made no profit at all. On the other hand, it is rather surprising to find so well informed a writer saying that “the broker never loses money on his professional business as the jobber may, because the broker carries out other people's orders for a commission which must be paid, whether a deal is good or bad.” The long list of brokers who have been “hammered” in the past because their clients could not meet their obligations, shows that the broker's position is by no means as happily secure as Mr Wade would seem to imply.

POLISH NATIONAL POLICY.

THE small volume published under the title of “Poland's Westward Trend”* seems to be nothing more or less than a piece of propaganda. It purports to expose the dangerous and unscrupulous propaganda, directed against Germany, of certain Polish politicians. It quotes from several publications produced for Polish home consumption, rather than for translation into foreign languages, and criticises them. This is done from a standpoint which is frankly German, and definitely opposed to the statements quoted. The book in question is written in English, and published in England. To his readers the writer definitely submits the view that Germany will never put up with the injustice of the decision which laid down her present eastern frontiers—though what authority he has for this sweeping allegation does not appear—and then he considers the effect which territorial gain has had upon Poland. Is Poland content? Is she saturated? he asks, and, for answer, looks in the main to statements of Polish party politicians made for domestic consumption.

The method is analogous to that of the gentleman who invited anybody to tread on the tail of his coat. It is impossible to avoid the feeling that the author is mainly concerned to make a case for his own side, though he

* “Poland's Westward Trend.” By E. R. B. Hansen. (London) Allen and Unwin, Limited, 1928. 3s 6d net.

assures us that he has nowhere thought it necessary to repay contumely in kind. His object, he states is not polemical, but informative. All the same, the impression remains of his assumption that someone has trodden on the tail of his coat.

Literature of this kind does not contribute to the well-being of anyone. It would not be difficult, by quoting party speeches and domestic utterances in other lands, to make it appear that aggressive designs were maturing. That is how peoples ignorant of the facts are stirred to war. There may be a measure of truth on one side or the other—more probably on both—but that may be left aside for the moment until condemnation of the method has been driven home.

Into the question of Polish aspirations it is not practicable to enter in a short notice. Nor is that necessary. That the delimitation of new European frontiers at Versailles included many compromises not logically justifiable, and many mistakes is probably unquestionable, but any hasty action by way of attempt at rectification might defeat its purpose. So far as Poland is concerned, anyone who has visited the country must know that there are problems enough—consequent upon years of alien rule and backward conditions following from that—to occupy the energies of statesmen for a long time. The existing territory must be better organised for the needs of ordinary living. That should be the first problem.

BOOKS RECEIVED.

[Brief mention of a book in this column does not necessarily mean that it will not receive fuller notice in a subsequent issue.]

Wages in the United States, 1914-1927. (New York) National Industrial Conference Board, Inc., 247 Park avenue. \$2.50.

The scope and method of the inquiry are very fully explained. There are tables and graphs covering separately the leading manufacturing industries, public utilities, building, agriculture, anthracite mining and railroads. The investigation is not, as the title might imply, confined to wages, but also covers employment and hours of labour, so far as these are relevant to earnings.

Le Trade-Unionisme et ses Rapports avec le Mouvement ouvrier Anglais Contemporain. Par Auguste Pinf. (Paris) E. de Boccard, 1 Rue de Medicis.

Though this book covers the whole period of the trade union movement, its purpose is principally to break ground for a study of the last two years of trade unionism, the new era which the author holds to have opened with the Trade Disputes and Trade Unions Act. There is an appendix on the legal position of trade unions.

Central Banks. By Sir Ernest Harvey. With an introduction by Sir George Paish. (London) London General Press, 6 Bouverie street. 2s net.

A reprint of a short address on the main principles of central reserve banking. Sir Ernest speaks, of course, with high authority, being the Comptroller of the Bank of England, and he discusses both the principles underlying the subject and also the functions of Central Banking.

Journal of the Parliaments of the Empire. July, 1928. Empire Parliamentary Association, Westminster Hall. 10s net.

Summarises the debates on the main issues handled during the last session of each of the Parliaments of the British Empire.

Sur-Tax. How Will it Affect You?

This small pamphlet issued by the Scottish Widows' Fund and Life Assurance Society explains clearly the position created by the new sur-tax legislation (which was discussed in the *Economist* of July 21st) and suggests a remedy against suffering by the super-tax payer by means of insurance.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:—

Reports of the Imperial Economic Committee: Timber. 9d net.

International Radiotelegraph Convention of Washington. 1927. 2s 6d net.

Home Office: Licensing Statistics, 1927. 3s 6d net.

Registered Provident Societies in Great Britain. General Summary, 1925 and 1926. 4d net.

The Stock Exchange.

THE TURN IN THE OIL SITUATION.

THE oil share market on the Stock Exchange suffers from a limited public. The public will, of course, rush in to buy oil shares if the oil industry is booming, but there has been no oil boom since 1920. The economic problems which the oil industry has had to face since 1920 have been far too complicated for the investing public to understand. Even the professional gentlemen on the Stock Exchange have only a hazy idea of what is going on in the oil world. Market information is merely based upon the weekly crude oil output returns for the United States published by the American Petroleum Institute and the monthly figures of stocks published by the United States Bureau of Mines. The general tone of the market is largely governed by the New York Stock Exchange and the movements in American oil prices. And sometimes the movements in oil prices are misinterpreted. We have read of the buying of oil shares on the strength of a rise in Pennsylvania crude oil, although Pennsylvania crude oil, being less than 2 per cent. of the total American output and used chiefly for its high-grade lubricating oil content, is not in the least representative of the American oil markets.

At the present time the oil situation is complicated by the fact that (i.) gasoline (petrol) prices have been rising steadily this year in America, while fuel oil prices have been falling; (ii.) crude oil prices have recently been advanced in the mid-Continent districts and in California, although restriction of output is still being imposed in a number of important oil fields; (iii.) although gasoline prices in America have soared, the price of petrol in this country has not been advanced this year, apart from the 4½d increase to cover the petrol duty and the cost of its collection. In spite of these complications the oil share market has been strong in the last few weeks, and the investing public must be curious to know how far the "bull" movement is justified and how far it is likely to go.

The first essential is to understand the extent of the rise in oil prices this year. It should be remembered that 1927 was a year of over-production for the American oil industry, during which the price of mid-Continent crude oil, taking 28 deg. Beaumé as a representative grade, fell from \$1.50 per barrel to \$1.12 per barrel, the bulk price of "U.S. motor" gasoline (58 to 60 degrees) at inland refineries from 9½ cents to 5½ cents per U.S. gallon, and bunker fuel oil from \$1.25 per barrel to 75 cents per barrel. From the following table it will be seen that crude oil prices, which fell last year by 25 per cent., have only risen this year to a small extent, while gasoline prices fell last year by 57.8 per cent. and have more than recovered.

AMERICAN OIL PRICES.

	Mid-Continent Crude Oil, per Barrel.	Fuel Oil, per Barrel.	Gasoline U.S. Motor 58-60° per Gall. Cents.
January 1, 1927 ..	1.50 (28° Beaumé)	1.25	9½
March 12, 1927 ..	1.12	.85	6½
December 31, 1927	1.12	.75	5½
January 15, 1928	1.28 (36° Beaumé)	.75	5½
Present price	1.36	.50	9½

How are these apparently irregular movements in prices to be explained? The oil industry cannot produce any particular oil product without producing at the same time two or three other oil products the demand for which may vary considerably. The demand for gasoline has been exceptionally strong this year, but gasoline cannot be produced from the refining of crude oil without involving the production of fuel oil as the residue of the refining process. Unfortunately, the consumption of fuel oil has been falling off largely because cheaper coal has turned many steamship owners and industrial companies from oil-burning to coal-burning. Hence a shortage of

gasoline appears now to be developing simultaneously with a surplus of fuel oil. The figures published by the U.S. Bureau of Mines, which are only available for the six months period up to the end of June, show the beginnings of this curious situation:—

OIL SUPPLY and DEMAND (approximately 80% of the World's Oil Trade.)
SUPPLY.

	Crude Oil Production.	Refinery Operations.			
		Gasoline.	Kerosene.	Lubricating Oil.	Fuel Oil and Gas Oil.
U.S. domestic production	435,288	174,731	29,672	17,417	202,328
U.S. imports	38,006	2,245	108	5	4,034
Total supply	473,294	176,976	29,780	17,422	206,362

DEMAND.
(Thousands of Barrels.)

	Crude Oil Production.	Refinery Operations.			
		Gasoline.	Kerosene.	Lubricating Oil.	Fuel Oil and Gas Oil.
U.S. domestic demand	442,201	148,205	17,702	11,621	176,267
U.S. exports	8,680	26,701	11,377	5,829	23,625
Total demand	450,881	174,906	29,079	17,450	199,892
Stocks	484,182	34,393	8,370	7,832	130,249
% rise or fall as compared with stocks June 30, 1927	+ 11.8%	- 21.4%	- 2.3%	+ 2.7%	+ 11.2%

While the supply of gasoline was equal to the demand in the first six months of the year, a shortage at the present time is evident from the fact that gasoline stocks are now being drawn upon each month. The question may be asked whether this situation arises out of restriction of crude oil output. To some extent it does. Restriction was first imposed in May, 1927, in the Seminole field, Oklahoma, at a time when it was essential to prevent a flood of oil being poured on an unwilling market from the prolific fields that had recently been discovered. Since that date restriction has been maintained in the Greater Seminole area, Oklahoma. Subsequently the operators in the enormous new fields of West Texas—Yates Pool, Pecos County and Hendricks Pool, Winkler County—agreed to restrict production to the limit of pipelines and railway tank car facilities. Finally, restriction was applied to the Ventura and other fields in California.

The restriction of oil output in America is very different from the rubber restriction scheme which was imposed by legislation upon rubber growers in British Malaya. Restriction is not general in the American oilfields. It has been applied only to the fields where recent discoveries of oil were made, and in each case it has been applied as the result of voluntary agreement among the operators. In the case of California the agreement to restrict production was made with the full support and connivance of the State Governor, who was anxious to prevent the waste of natural gas. The next table will show how effective restriction has been this year in keeping the daily average crude oil production in the United States around 2,400,000 barrels a day.

DAILY AVERAGE CRUDE OIL PRODUCTION OF U.S.A.
(Figures of American Pet. Institute.)

	Barrels.		Barrels.
July 30, 1927 (peak) ..	2,586,000	July 21, 1928	2,402,000
December 31, 1927	2,419,800	July 28, 1928	2,386,250
March 31, 1928	2,412,600	August 4, 1928	2,404,000
June 30, 1928	2,384,000	August 11, 1928	2,389,000

To abolish restriction altogether when the oil marketing companies are unable to get rid of their fuel oil would be

THE WEEK IN THE MARKETS.

SETTLING DAYS.

TICKET.
August 28.

ACCOUNT.
August 30.

THERE has been another week of very restricted business on the Stock Exchange. Generally speaking, markets have been somewhat irregular, and apart from individual exhibitions of strength, the general tone was somewhat easier than last week.

The gilt-edged market received the Government issue of 5 per cent. Treasury Bonds 1933/35 fairly well. Long-dated stocks were marked up in the early part of the week on the easier conditions of the money market, but on Wednesday the tendency became easier as money became unexpectedly tight. The existing 5 per cent. Treasury Bonds 1933/35 were marked down from 101½ to 101½, which suggested selling on the part of holders who were taking a chance of getting back their stock more cheaply by tendering. The tenders resulted in applications for £45,720,000 and tenders at £101 os 6d received 64 per cent. The result of what was after all only a minor operation was as good as could be expected in the middle of the holiday season.

Business in the foreign market was very restricted. Chinese Bonds gave way and the general tone was dull. In the home railway market the week opened quietly, but with the publication of better traffic there was a general improvement on Wednesday, G.W. rising 1½, L.M.S. 1½, N.E. preferred ½ and deferred ½. Thursday saw a slight reaction. Foreign rails were irregular, Argentine stocks being somewhat dull.

The industrial market saw distinctly less business this week, although there were a few good features. The Gramophone market is now divided into two distinct groups—the leaders, such as Columbia Graphophone, Gramophones, and Victors, which are influenced by New York operations, and the smaller companies, such as Vocalions, Duophones, and Brunswick. On Monday the leaders reacted, but on Tuesday New York was a strong buyer of Victors, which touched 106, and advances were made by Columbia Graphophone and Gramophones. Among the smaller companies, Vocalions reacted after their recent rise, and Duophones were easier on balance. The Tobacco market was firm. There was a demand for British-American, emanating, it is said, from America, which found the market somewhat short of shares. Imperial Tobacco were steady. A bonus was announced by Imperial Tobacco of Canada, which is issuing one new share free for every five held. These terms were generally expected in the market, and the price closed on Thursday somewhat easier at 44s 4½d. In the artificial silk section British Celanese were first offered, and were marked down to 2½, but were later supported, and improved to 2½, preference being 18s 3d. The American Celanese declined to 13½. Courtaulds remained steady around 4½. J. and P. Coats were at first easier on the death of the chairman, but were practically unchanged on balance. Wardle and Davenport were on offer, and Snia Viscosa fell away to 30s. In the miscellaneous section International Holding and Hydro Electrics were supported from Brussels after being dull in the earlier part of the week. Dunlops were also bought after a reaction and closed on Thursday at 28s 7½d. The match group was firm, Swedish Match rising to 23½ and Kreuger and Toll to 33½. Kreuger and Toll new debentures improved ½ to 32½. Electric lighting shares suffered from lack of business, although Newcastle-on-Tyne were higher at 27s. Marconis improved to 65s 10½d, but the cable stocks were easier. The insurance share market was steady, but much quieter than in previous weeks.

In the oil share market there was a slight reaction on profit-taking. Mexican Eagles went ahead of Canadian Eagles for the first time, the market ignoring the basis of conversion from Mexican Eagle into Canadian Eagle. The prospects of the oil share market are discussed in the preceding article.

Among mining shares there was an irregular tendency. Kafirs became dull, De Beers and other diamond shares fell back, and tin shares were easier on the fall in the metal. Rhodesian and General Asbestos reacted after

unreasonable. In West Texas, where the crude oil produced can only be used for its fuel oil content, it is necessary to restrict production to the limit of transportation facilities. In Oklahoma the natural decline of the Greater Seminole fields probably means that if restriction were removed altogether there would be no considerable increase in production. The test of validity of restriction is therefore California. Prices of California crude oil of 26 deg. Beaumé were increased on the 15th of this month from 92 cents per barrel to \$1.09 per barrel. This can only be regarded as a call to the independent oil operators in such prolific fields as Santa Fé Spring fields and the San Joaquin Valley to produce more crude oil. If restriction in California is broken, is it possible that the American refineries will be able to catch up immediately with the demand for gasoline, and that gasoline prices will fall as rapidly as they have risen?

The next table will show that the American oil industry has already been trying to meet the increased demand for gasoline by "cracking" more fuel oil than it did last year:—

PRODUCTION OF GASOLINE FROM

	(1). Crude Oil by Skimming. Per Cent. of Total.	(2). Fuel Oil and Gas Oil by Cracking.* Per Cent. of Total.	(3). Casinghead Gas by Natural Gasoline. Per Cent. of Total.			
1927	8,980,000	39.2	7,488,000	32.7	6,431,000	28.1
1928 (5 months)	3,739,000	37.4	4,988,000	49.8	1,270,000	12.8

* When residual oils (fuel or gas oils) are distilled under pressure, they give off what is called "cracked" gasoline.

"Cracking" plants are being used to the limit of their capacity and more are being built, but for the time being the demand for gasoline appears to be unsatisfied, and further advances in gasoline prices must be expected, which in turn will probably cause a further rise in mid-Continent crude oil prices. Hence, even if the collapse of restriction in California were to follow upon the rise in crude oil prices, it would not immediately prevent a further rise in gasoline prices.

It was pointed out in a note in the *Economist* last week that the oil share market is already discounting an advance in British petrol prices which must inevitably follow upon the substantial increase in American prices. The oil share market deals in the shares of companies engaged in every branch of the oil industry, from production to marketing. The advance in gasoline prices in America has so far been of benefit only to such big American producing, refining, and marketing companies as the Shell Union Oil Corporation. The Shell Union earnings for the second quarter of 1928 amounted to 44 cents a share as compared with 15 cents a share in the first quarter. While the earnings for the first half of the year at 60 cents a share are below those for the first half of 1927, which were 72 cents a share, it is expected that the full year's earnings of Shell Union will show a considerable improvement over those of 1927. As regards British oil companies, the Anglo-Persian Oil Company has not yet had the benefit of any increase in petrol prices in this country (indeed, prices were reduced by 1d per gallon at the end of March), although prices have risen to some extent in France and Germany. The Anglo-Persian year ends in March, so that the accounts to be published for the period ending March, 1928, will compare very unfavourably with those of the previous year. The interim dividend has been passed, but it is presumed that the final dividend will be at least maintained at 7½ per cent. The Anglo-American Oil Company is the marketing subsidiary in Great Britain for the Standard Oil Company of New Jersey, and has not yet had the advantage of any rise in British market prices, while it has had to meet the higher costs of petrol and lubricating oils in America. Royal Dutch and Shell Transport are holding companies whose subsidiaries, engaged in every branch of the oil industry throughout the world, stand to gain most by the general improvement in the world oil situation. We would, however, end on a note of caution, for until restriction is completely removed from the American oil fields American oil prices cannot be regarded as very stable.

COMPANY MEETINGS, &c.

THE COLISEUM SYNDICATE, LIMITED.

STOLL THEATRES CORPORATION SCHEME EXPLAINED.

RESOLUTION CARRIED.

An extraordinary general meeting of the Coliseum Syndicate, Limited, was held at 25 Charing Cross road, London, W.C. 2, on Thursday, August 23, 1928, at 11 o'clock in the forenoon. Sir Oswald Stoll (the chairman and managing director), of the company, presided.

The secretary having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—The resolution required to-day is explained in the circular of August 14th, a copy of which was posted to every holder of ordinary shares.

SCHEME EXPLAINED.

Briefly, it means that a list of shares mentioned in the circular—shares which are held by this company in other companies—are to be exchanged into a new company provisionally called Stoll Theatres Corporation, Limited.

The transaction is part of the general scheme set out in my circular of July 17th last. The rate of exchange of the shares is, to be exactly the same as that propounded in my circular of July 17th.

The resolution strictly accords with the policy of concentration of resources of the companies in respect of which the Stoll Theatres Corporation, Limited, is being formed.

It is a resolution which has received overwhelming direct support in the form of proxies sent to the board for this meeting. Indirect support also overwhelming has come from the shareholders in the shape of their willingness to exchange their own shares.

Every member of the board gives the resolution his fullest support.

Digressing a little from the resolution and referring to the whole scheme, I may add that none of us is ambitious to expand our business unduly. We do not aim at establishing hundreds of theatres. All we require is to expand our business in such ways as will protect our existing interests and will also permit us to make the progress which we must make and which you have a right to expect us to make.

More of the general public than ever before have acquired the habit of attending places of entertainment, and this is a pregnant fact, however the significance of it may be tempered by the greater number of places of entertainment that are springing up.

Progress must be made. It we do not advance we shall fall back. Stagnation is fatal. Once upon a time each separate company could make the necessary progress from internal resources. Take this Coliseum Company for example.

We were able to distribute on two occasions bonus shares of 100 per cent. and to add to our resources productive assets to yield a larger income than the additional dividend which the bonus shares demanded. Nowadays this extra dividend supplemented by enormous extra taxation has put an end to the accumulations which made this remunerative policy possible.

The comparatively small accumulations that can now be made are practically useless unless they can be added to similar accumulations of other separate companies and thus made effective for necessary undertakings in the common interest. Stoll Theatres Corporation, Limited, will facilitate such concentration.

This is a vital benefit; but it is only one of the benefits which the formation of the new company will enable us to provide.

The statement of this benefit should be enough to excuse me from explaining further benefits which it would not be business-like to broadcast. It should be enough, also, to change the views of those who might have been tempted to hold aloof from the new company because of the benefits of the past.

The new scheme is designed as a means of compensation for the loss of those past benefits. It is the only way in which what is tantamount to a resumption and continuance of such benefits is practicable.

Without this scheme it is clear that such benefits have come to an end.

I repeat. We do not aim at being an unwieldy corporation. Hundreds of profits from hundreds of theatres in good times may be very comforting, but hundreds of losses in bad times are quite the reverse. A few more good theatres will suffice for the kind of business unit that we wish to establish.

We are conceding to the force of circumstances the obvious truth that comparative isolation has become dangerous, but we retain the view that combination on a huge, and in some respects necessarily careless, scale is still more dangerous.

If those shareholders who have not already assented to the general scheme will do so at once I shall be glad. There are not a great many more assents required to make approval unanimous. I have asked every shareholder to follow my example, i.e., to exchange his or her shares in the companies I represent into shares in the new company.

I have done so because what has happened inside and outside the entertainment business in this country during the last few years has settled its future for a generation.

Certain courses are marked out by already accomplished facts. I have seen analogous fundamental changes taking place before; hence I can recognise that one is taking place now.

In any serious change in the past in which any company of mine has been involved those shareholders who have followed me consistently have profited by doing so. My policy has always been to make my own interests run parallel with those of the shareholders.

Those who think that they ought to receive more than four shares to one for their Coliseum holdings, on the grounds of the value of the site or the history of the company, must remember that they are being advised by the board to accept that basis of exchange. They are being advised to accept that basis of exchange by me as chairman and managing director and as personal owner of about half the ordinary shares.

Hypothetical values have no limits if free range is given to the imagination. Therefore we must disregard hypothetical values.

STOLL PICTURE PRODUCTIONS CRITICISMS.

Objection to inclusion in the scheme of the Stoll Picture Productions, Limited, has been made here and there. But the objection is fallacious.

It is not my view or the view of the board that the inclusion of the Stoll Picture Productions, Limited, will mean capital inflation. It will, on the contrary, provide resources not now available which will help to finance new theatres which are in contemplation. Even if this were not the case, the inclusion could not be termed inflation.

The price of the shares on the market is no criterion of the value of the shares. The price is not a true one, because the shares could not possibly be bought for the money. Anyone who undertook to deliver a substantial block of the shares at the price would probably ruin himself, because it would cost him a fortune to carry out his contract.

The assets of the Stoll Picture Productions, Limited, are considerable, and better use is being made of them almost every day.

The pictures being produced at Cricklewood to-day are probably the best on the British market. We do not ourselves produce pictures in competition with our tenants except in fulfilment of special obligations.

Hence our studio tenants are getting better service than they can get elsewhere.

We have had considerable experience of the picture business. We know that the picture business is in a constant state of flux, and that that fact was never more true than now.

But that the business can be a profitable business, and that it has a great future we are bound to recognise.

FAIR RATE OF EXCHANGE.

Despite what has been said in protest I maintain that the rate of exchange is not unfair to the other companies, or, as a certain circular phrases it, "the old companies."

The rate of exchange complained about will in the main be received by the so-called old companies. It is, therefore, obvious that for some reason not stated these objectors are more anxious to oppose the scheme than to give the old companies a proper price for something which those companies possess.

Any other opposition has pivoted on the point that the rates of exchange for the shares in various companies are too low. If that contention were true it would simply mean that the shares in the new company were so much the more valuable.

Those who have agreed to come into the new company have, therefore, good reasons to be satisfied.

The truth about rates of exchange is that they are properly fitted to all the circumstances.

In the case of the Coliseum the preference shares were originally all bonus shares, so that the rate of exchange, namely £4

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for each ordinary share and £1 per share for each of the two sets of preference shares really means £6 per share for the Coliseum ordinary shares.

THE RESOLUTION.

I now beg formally to move:—

"That this meeting doth hereby approve of the sale to the proposed new company (referred to by Sir Oswald Stoll in his letter dated August 14, 1928, to the shareholders and in the circular therein mentioned) of the following holdings of the Coliseum Syndicate, Limited, in the following companies, viz.:—

45,525 ordinary shares in the Alhambra Company, Limited.
32,741 ordinary shares in the Stoll Picture Theatre, Kingsway, Limited.
41,450 preference shares in the Stoll Picture Productions, Limited.

2,275 ordinary shares in Hackney and Shepherd's Bush Palaces, Limited.
3,545 preference shares in St. Augustine's Parade Hippodrome, Bristol, Limited.

260 ordinary shares in Manchester Hippodrome and Ardwick Empire, Limited.

1,560 ordinary shares in Leicester Palace Theatre, Limited.
2,000 ordinary shares in Chatham Empire Theatre of Varieties, Limited.

"In consideration of the allotment to the Coliseum Syndicate, Limited, of 248,227 fully-paid ordinary shares of £1 each in the capital of such new company, and that the directors of the Coliseum Syndicate, Limited, be and they are hereby authorised to enter into an agreement for the purpose of effecting such sale and to carry such agreement into effect, and that for such purposes the directors be and they are hereby empowered to vote as directors of the Coliseum Syndicate, Limited, notwithstanding the prohibition against their so voting contained in the articles of association."

Mr Douglas McCraith seconded the resolution, which the Chairman declared carried with one dissentient.

Meetings took place in connection with the Stoll Theatres Corporation, Limited, scheme in respect of other companies affected, at all of which, with one exception (Leicester Company), where there was one dissentient, similar resolutions were carried unanimously.

GOVERNMENT RETURNS, &c.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on Aug. 17, 1928, and the total amount applied for was £55,875,000. For bills at 3 months, dated Monday to Friday, at £98 18s 5d, about 88 per cent., above in full; Saturday at £98 18s 8d, and above in full. The amounts allotted were in bills at 3 months, £40,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1928.			
June 15.....	35,000,000	45,955,000	3 15 2.11
June 22.....	35,000,000	43,275,000	3 16 4.92
June 29.....	40,000,000	73,725,000	3 16 6.96
July 6.....	40,000,000	57,663,000	3 14 0.25
July 13.....	40,000,000	47,975,000	4 1 3.03
July 20.....	40,000,000	57,355,000	4 0 0.52
July 27.....	40,000,000	49,165,000	4 2 6.42
Aug. 3.....	40,000,000	48,430,000	4 4 7.60
Aug. 10.....	40,000,000	46,430,000	4 5 4.65
Aug. 17.....	40,000,000	55,875,000	4 5 5.39

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1914.	Mar. 31, 1915.	Mar. 31, 1916.	Mar. 31, 1917.	Mar. 31, 1918.	Dec. 31, 1918.	Mar. 31, 1919.	Aug. 18, 1928.
2½% and 2½% Consols ..	573	300	300	300	300	300	300	300	300
Other Funded Debt ..	15	15	14	14	14	14	14	14	14
Term Annuities ..	30	20	14	13	13	12	12	12	12
4% Consolidated Loan ..	..	..	..	166	166	207	204	204	204
3½% Conversion Loan ..	..	..	666	709	760	852	832	832	832
4½% Conversion Loan ..	..	..	..	210	211	211	221	221	221
3½% War Stock ..	..	63	63	63	63	42	..	..	..
4½% War Stock ..	..	13	13	13	13	13	13	13	13
4% and 5% War Stock ..	..	2,047	2,166	2,052	2,109	2,154	2,253	2,253	2,253
National War Bonds ..	..	1,509	820	778	706	556	430	194	146
4% Funding Loan ..	..	409	396	394	390	389	389	385	385
4% Victory Bonds ..	..	360	314	303	292	277	277	260	260
Treasury Bonds ..	..	20	223	150	15	15	15	15	15
Exchequer Bonds ..	..	267	366	369	375	372	370	363	362
National Savings Certs. ..	..	1,306	1,128	1,124	1,111	1,103	1,097	1,094	1,094
Other Debt* ..	..	..	..	..	..	..	..	..	..
American Loan (Anglo-French) ..	..	51	588	576	599	599	599	599	599
Treasury Bills ..	15	1,107	186	167	139	117	174	162	150
Temporary Advances ..	..	1	243	..	..	..	..	..	..
Other Capital Liabilities ..	654	8,033	7,641	7,598	7,558	7,555	7,732	7,527	7,603
	57	46	66	68	75	98	100	101	103
Total Liabilities ..	711	8,079	7,707	7,666	7,633	7,653	7,832	7,628	7,706

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	Aug. 20, '27.	Mar. 31, '28.	Aug. 18, '28.	Week ended Aug. 18, '28.
Outstanding—	£	£	£	£
Advances by Bank of England	112,880,000	161,850,000	151,000,000	6,650,000
Advances by Public Deptts.	112,880,000	161,850,000	151,000,000	6,650,000
Treasury Bills Outstanding ..	616,165,000	526,940,000	509,570,000	905,000
Total Floating Debt ..	728,245,000	688,790,000	650,570,000	5,745,000

* Includes £24,000, the proceeds of which were not carried to the Exchequer within the period of the account.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1928-29.	Total Receipts into the Exchequer from April 1, 1928, to Aug. 18, 1928.	Week ended Aug. 18, 1928.	Week ended Aug. 20, 1927.
Balances in Exchequer on 1st April:—	£	£	£	£
Bank of England ..	..	5,918,513	6,003,023	..
Bank of Ireland ..	..	404,112	456,633	..
	..	6,322,625	6,459,656	..
ORDINARY REVENUE.				
Inland Revenue—				
Property and Income Tax ..	232,900,000	42,935,000	58,676,000	2,367,000
Super Tax ..	60,000,000	9,970,000	13,500,000	230,000
Estate & Duties ..	72,000,000	30,440,000	28,135,000	1,150,000
Stamps ..	28,000,000	8,940,000	7,475,000	860,000
Excess Profits Duties, &c. ..	1,000,000	..	..	..
Corporation Profits Tax ..	1,500,000	330,000	720,000	80,000
Land Tax, House Duty and Mineral Rights ..	850,000	140,000	110,000	..
Duty ..	396,250,000	92,755,000	108,116,000	3,937,000
Total Inland Revenue ..	..	..	..	9,402,000
Customs and Excise ..	120,637,000	41,375,000	41,618,000	1,706,000
Customs ..	140,768,000	51,212,900	52,687,000	7,722,000
Excise ..	261,405,000	92,587,000	94,395,000	5,428,000
Total Customs & Excise ..	..	..	..	9,013,000
Motor Vehicle Duties (Exchequer Share) ..	4,400,000	1,380,155	1,889,419	Dr. 108,000
Post Office (Net Receipts) ..	8,186,000	5,100,000	3,250,000	550,000
Crown Lands ..	1,100,000	430,000	430,000	..
Receipts from Sundry Loans ..	27,650,000	8,240,473	6,839,928	..
Miscellaneous: Ordinary Receipts ..	13,550,000	3,953,201	8,055,015	2,355,485
Miscellaneous: Special Receipts ..	40,362,000	7,030,219	9,965,825	..
Total Ordinary Revenue ..	752,903,000	211,486,052	232,251,217	13,918,298
SELF-BALANCING REVENUE.				
Post Office ..	57,314,000	20,200,000	21,100,000	800,000
Motor Vehicle Duties apportioned to Road Fund ..	21,300,000	5,718,841	4,637,581	305,841
Total Self-Balancing Revenue ..	78,614,000	25,918,841	25,737,581	1,105,841

OTHER RECEIPTS.				
Temporary Advances Repaid—				
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	..	..	..	..
Under the Unemployment Insurance Acts, 1921 ..	714,432	2,868,000	..	..
Money Raised by Creation of Debt—				
(a) For Capital Expenditure Issues: Under the Telegraph (Money) Act, 1925 ..	2,550,000	2,500,000	..	..
(b) Under the Unemployment Insurance Acts, 1921 ..	2,460,000	960,000	90,000	..
(c) For other Issues: By Treasury Bills ..	925,509,000	945,819,000	49,548,000	43,568,000
By 4% Consolidated Loan ..	14,950,000	13,300,000	650,000	600,000
By National Savings Certificates ..	..	..	..	..
By National War Bonds ..	58,235,113	..	..	..
By 5% Treasury Bonds, 1933-35 ..	..	..	..	..
(d) Ways and Means Advances ..	226,850,000	209,830,000	1,100,000	..
Repayments ..	..	..	..	..
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921 ..	53,273	55,007	..	..
Total ..	£ 1,475,449,346	£ 1,481,747,217	£ 66,412,139	£ 65,938,485

EXPENDITURE AND OTHER ISSUES.

EXPENDITURE.	Estimate for the year 1928-29 (including Supplementary Grant).	Total Issues out of the Exchequer to meet Payments from		Issues.	
		Apr. 1, 1928, to Aug. 18, 1928.	Apr. 1, 1927, to Aug. 20, 1927.	Week ended Aug. 18, 1928.	Week ended Aug. 20, 1927.
ORDINARY EXPENDITURE.					
Interest & Management of National Debt.....	304,000,000	142,950,327	137,452,271	793,466	837,802
Payments to Local Taxation Accounts.....	14,200,000	2,008,773	2,584,805	..	694,830
Payments to Northern Ireland Exchequer.....	5,600,000	1,329,798	1,387,763	..	..
Other Consolidated Fund Services.....	2,600,000	777,148	1,259,435	..	2,293
Supply Services (excluding Post Office).....	350,192,000	121,943,546	128,233,300	6,900,000	6,460,000
Total Ordinary Expenditure.....	676,592,000	271,009,546	270,917,574	7,693,446	7,994,725
SELF-BALANCING EXPENDITURE.					
Sinking Fund.....	65,000,000	21,424,491	16,922,319	510,000	3,386,014
Post Office.....	57,314,000	20,209,000	21,100,000	880,000	1,850,000
Road Fund.....	21,500,000	5,718,641	4,637,581	305,841	108,000
Total Self-balancing Expenditure.....	78,614,000	25,918,841	25,737,591	1,105,841	1,958,000
OTHER ISSUES.					
Temporary Advances.....					
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904.....		18,458	18,458	..	..
Under the Unemployment Insurance Act, 1921.....		2,460,000	960,000	90,000	..
Issues to meet Capital Expenditure under the Telegraph (Money) Act, 1925.....		3,750,000	3,600,000	..	..
Unemployment Insurance Act, 1921.....		714,432	2,828,000	..	..
Repayment of Amounts Borrowed Redemption of Debt.....		842,900,000	928,835,000	48,625,000	44,530,000
Treasury Bills.....		16,300,000	14,760,000	700,000	600,000
Principal of National Savings Certificates.....		46,786,305	..	..	..
Principal of National War Bonds paid off under the War Loan Acts, 1914 to 1919.....		3,341,000	..	..	..
Ways and Means Advances Repaid.....		237,700,000	214,401,000	7,750,000	7,300,000
Old Sinking Fund, 1907-08—Issued under Section 9 of the Finance Act, 1908.....		1,000	..	..	..
Balances in Exchequer—					
Bank of England.....		1,472,324,073	1,478,919,932	66,474,287	65,768,759
Bank of Ireland.....		2,080,840	2,094,832	135,147	69,746
Bank of Scotland.....		644,433	732,453	27,999	110,000
Total.....		2,725,273	2,827,385	62,146	169,746

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.					
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.	Government Securities.	Balance of Bank of England.
Mar. 26, 1924.....	281,538	11,908	7,060	27,000	22,456	176	235,857	130
June 25, 1924.....	290,316	12,472	7,000	27,000	22,456	170	246,198	140
Sept. 24, 1924.....	285,592	12,227	7,000	27,000	22,456	173	241,185	184
Dec. 31, 1924.....	296,261	12,312	7,000	27,000	26,950	182	248,111	132
Mar. 25, 1925.....	284,256	11,882	7,000	27,000	26,950	189	235,076	112
June 24, 1925.....	292,278	12,265	7,000	..	53,950	185	243,474	119
Sept. 30, 1925.....	293,034	12,555	7,000	..	56,250	191	242,188	121
Dec. 30, 1925.....	295,777	12,561	7,000	..	56,250	189	245,896	121
Mar. 31, 1926.....	295,337	12,226	6,550	..	56,250	190	244,585	178
June 30, 1926.....	294,036	12,567	6,550	..	56,250	191	243,667	136
Sept. 29, 1926.....	287,558	12,295	6,300	..	56,250	196	237,467	135
Dec. 29, 1926.....	296,461	12,457	6,300	..	56,250	189	246,248	119
Mar. 28, 1927.....	288,067	11,882	6,550	..	56,250	195	237,913	135
June 29, 1927.....	298,260	12,811	6,550	..	56,250	188	249,067	105
Sept. 28, 1927.....	294,798	12,752	6,550	..	56,250	190	245,424	226
Dec. 28, 1927.....	299,791	12,904	6,550	..	56,250	188	250,662	133
Mar. 28, 1928.....	289,508	12,515	5,500	..	56,250	194	240,241	138
June 27, 1928.....	295,030	12,484	5,400	..	56,250	190	246,606	177
Aug. 15, 1928.....	295,577	12,500	5,400	..	56,250	190	246,314	113
Aug. 22, 1928.....	294,704	12,344	5,400	..	56,250	190	245,252	147

Since July 21, 1920, notes and certificates outstanding include notes called in but not yet cancelled. Maximum fiduciary issue for 1920 was fixed at £320,600,000, for 1921 at £317,555,200, for 1922 at £309,988,400, for 1923 at £270,183,800, for 1924 at £248,190,900, for 1925 at £248,145,400, for 1926 at £247,902,500, for 1927 at £246,011,000, and for 1928, at £244,935,100.

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, August 22, 1928.

ISSUE DEPARTMENT.

Notes issued.....	191,821,775	Government debt.....	11,015,100
		Other securities.....	8,754,900
		Gold coin & bullion.....	7,755,000
		us.....	071,775
	191,821,775		

BANKING DEPARTMENT.

Proprietors' capital ..	14,553,000	Government securities ..	27,968,950
Rest	3,650,918	Other securities	45,093,163
Public deposits	16,611,974	Notes	56,901,185
Other deposits	97,893,958	Gold and silver coin ..	2,751,434
Seven-day & other bills ..	4,882		

132,714,732

132,714,732

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

	Amount, Aug. 22, 1928.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Rest			
Public deposits	16,611,974	+ 56,638	— 6,155
Other deposits	97,893,958	+ 4,731,485	— 4,843,510
Government securities ..	27,968,950	— 1,988,147	— 27,453,049
Other securities	45,093,163	+ 1,549,182	+ 2,840,141
Reserve	59,652,619	+ 873,550	+ 1,509,765
Note circulation	134,920,590	+ 675,632	+ 23,330,986
Coin and bullion	174,823,209	+ 19	+ 23,330,986
% of reserve to liabilities ..	52%	+ 1%	+ 23%

Date.	Coin and Bullion.	Circulation (excluding Bank Post Bills).	Deposits.	Securities in Banking Department.	Gold in or out of Bank.	Reserve and % of Reserve to Liabilities.
1928.						
June 27	172,287,120	136,256,120	129,468,098	91,647,233	405,000 in	55,781,000 43
July 4	173,428,234	137,166,490	146,515,771	108,510,072	942,000 in	56,011,744 38
11	174,356,817	136,361,116	129,913,189	81,217,248	916,000 in	57,745,829 47
18	175,543,808	135,891,050	121,380,971	81,629,447	1,542,000 in	59,802,859 48
25	176,020,387	136,015,849	118,375,310	76,697,084	56,000 in	59,754,547 50
Aug. 1	173,659,829	137,216,190	145,711,528	77,625,168	2,331,000 out	57,404,124 48
8	174,432,054	136,777,930	117,445,253	78,160,792	760,000 in	57,404,124 48
15	174,147,571	135,791,140	115,705,799	75,752,838	240,000 out	58,103,437 50
22	174,823,209	134,920,590	124,595,932	75,052,113	626,000 in	59,652,619 52

BANKERS' CLEARING RETURNS (000's omitted).

	Town.	Metropolitan.	Country.	Total.
1928.				
January 1 to Aug. 8	23,997,255	1,139,261	1,862,925	26,999,441
Week ended Aug. 15	657,789	32,179	55,493	755,466
Week ended Aug. 22	737,557	32,685	54,750	824,992
Total to date 1928	25,402,601	1,204,125	1,973,173	28,579,899
Do 1927	23,791,405	1,148,532	1,932,305	26,872,242
Increase or decrease in 1928 ..	+ 1,611,196	+ 65,593	+ 40,868	+ 1,707,657
%	6.7%	5.8%	2.1%	6.3%
Total for year 1927	36,819,682	1,758,032	2,972,827	41,550,541
Total for year 1928	35,346,429	1,660,757	2,817,868	39,825,054
Increase or decrease in 1927 ..	+ 1,473,253	+ 97,285	+ 154,959	+ 1,725,487
%	4.1%	5.6%	5.2%	4.3%

PROVINCIAL CLEARING RETURNS.

Number of Working Days	Month of July.			Aggregate Weekly Totals to Aug. 18.		
	1927.	1928.	%	1927.	1928.	%
BIRMINGHAM	11,283,000	11,059,000	- 1.9	85,950,300	88,376,500	..
BRADFORD	6,556,000	6,425,000	- 2.0	52,400,000	51,100,000	- 2.5
BRISTOL	5,301,000	5,522,000	+ 4.1	38,242,000	39,811,000	4.2
DUBLIN	1,155,257,103	1,155,257,103	..	162,331,690	162,331,690	..
HULL	3,995,000	3,887,000	- 2.7	29,621,200	29,663,800	0.1
LEEDS	5,945,000	4,494,000	- 24.4	34,974,900	32,477,600	- 7.1
LEICESTER	4,104,000	4,084,000	- 0.4	28,833,500	28,663,800	- 0.6
LIVERPOOL	35,620,000	37,362,000	+ 4.8	268,064,500	276,980,700	3.3
MANCHESTER	59,053,000	57,854,000	- 2.0	447,537,100	438,847,100	- 1.9
NEWCASTLE-ON-TYNE	6,443,000	6,035,000	- 6.3	50,511,400	47,923,200	- 5.0
NOTTINGHAM	2,937,000	2,699,000	- 8.1	20,658,600	20,877,200	1.1
SHEFFIELD	5,106,000	4,122,000	- 19.1	36,233,100	32,492,200	- 10.3
Total	146,337,000	143,143,000	- 2.1	..	..	..

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Greece appeared in the Economist of July 7; Canada in July 28; Denmark in August 11; Italy, Russia and Estonia in Aug. 18.

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

	Aug. 23, 1928.	Aug. 16, 1928.	Aug. 9, 1928.	Aug. 2, 1928.	Aug. 25, 1927.
RESOURCES.					
Total gold reserves	2,613,930	2,612,590	2,605,420	2,599,540	3,009,840
Total bills discounted	1,037,450	1,022,530	1,061,290	1,086,780	414,160
Bills bought in open mkt ..	183,600	189,900	161,850	165,880	278,820
Total U.S. Govt. securities ..	208,910	206,410	207,870	211,660	444,820
Total bills and securities ..	1,429,950	1,399,840	1,431,490	1,463,810	1,638,110
Total resources	4,954,310	5,028,750	4,997,780	5,069,200	4,958,540
LIABILITIES.					
Federal Reserve notes in actual circulation	1,641,970	1,638,620	1,627,590	1,612,690	1,670,830
Deposits—Member bank—					
Reserve account	2,280,560	2,285,180	2,265,610	2,343,500	2,305,730
Total deposits	2,325,630	2,323,490	2,334,410	2,402,190	2,355,880
Capital paid in and surplus ..	379,170	378,910	376,730	376,320	359,510
Total liabilities	4,954,310	5,028,750	4,997,780	5,069,200	4,958,540
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	69.6%	69.7%	69.5%	68.6%	78.5%

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

	Aug. 23, 1928.	Aug. 16, 1928.	Aug. 9, 1928.	Aug. 2, 1928.	Aug. 25, 1927.
RESOURCES.					
Total bills discounted	314,030	274,580	329,390	339,880	129,910
Bills bought in open mkt ..	41,690	50,390	32,170	35,290	75,220
Total U.S. Govt. securities ..	26,610	25,690	28,500	35,460	78,870
Total bills and securities ..	382,320	351,260	390,060	410,630	284,990
Deposits—Member bank—					
Reserve account	879,520	877,780	863,960	935,420	900,740
Ratio of total res. to dep. and Federal Res. note liabilities combined ..	75.0%	75.5%	72.7%	72.0%	81.0%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	July 27, 1928.	July 20, 1928.	July 13, 1928.	July 6, 1928.	June 29, 1928.	July 30, 1927.
ASSETS.						
Gold coin and bullion	7,820	7,713	7,820	7,875	8,274	7,942

NATIONAL BANK OF BULGARIA.—In leva (000's omitted).

Assets.	Aug. 7, 1928.	July 31, 1928.	July 23, 1928.	July 15, 1927.	Aug. 7, 1927.
Gold and silver holdings	1,474,339	1,473,283	1,472,358	1,471,144	1,411,240
Balances abroad and foreign currencies	619,601	543,230	641,206	424,934	345,508
Discounts and advances	1,451,815	1,465,684	1,487,551	1,517,031	1,420,421
Advances to the Treasury	4,518,216	4,518,216	4,518,216	4,518,216	4,562,064
LIABILITIES.					
Capital paid in	516,422	516,422	516,422	516,422	473,896
Reserves	1,128,416	1,128,416	1,128,416	1,128,416	1,090,174
Bank notes in circulation	4,184,411	4,130,608	4,145,821	4,062,656	3,912,628
Sight liabilities	1,107,315	1,112,272	1,179,751	1,042,541	1,014,545
Deposits	1,386,508	1,392,146	1,282,693	1,380,102	1,589,379

BANK OF POLAND.—In zloty* (000's omitted).

Assets.	Aug. 10, 1928.	July 31, 1928.	July 20, 1928.	July 10, 1927.	Aug. 10, 1927.
Gold	602,585	602,538	602,531	602,452	167,337
Of which held abroad	195,095	195,095	195,095	195,095	223,318
Foreign currencies	698,907	709,675	716,802	724,649	1,540
Loans and advances	581,827	591,100	585,972	581,091	400,915
Reserve fund securities	69,427	68,929	67,543	64,082	41,032
LIABILITIES.					
Shares capital	150,000	150,000	150,000	150,000	100,000
Reserve funds	94,435	94,435	94,435	94,435	4,653
Notes in circulation	1,144,067	1,159,255	1,090,944	1,126,195	737,645
Current accounts	572,191	577,516	655,440	636,235	245,806
Government Accounts	75,000	75,000	75,000	75,000	21,483

* As from October 13, 1927, 8.91 zlotys equal one U.S. dollar

BANK OF FINLAND.—In F. marks (000's omitted).

Assets.	Aug. 8, 1928.	July 31, 1928.	July 23, 1928.	Aug. 8, 1927.	Position, May 30, 1914.
Gold	309,337	309,598	309,902	322,328	35,091
Balances abroad and foreign currencies	722,821	737,427	744,269	1,022,916	90,379
Financial securities	337,806	337,806	337,806	362,824	21,826
Discounts and loans	1,201,529	1,136,857	1,135,560	772,349	105,151
LIABILITIES.					
Notes in circulation	1,538,194	1,542,717	1,515,125	1,585,796	123,911
Deposits at notice	113,777	77,605	103,680	281,782	21,425

BANK OF LATVIA.—In lats (gold francs) (000's omitted).

Assets.	Aug. 15, 1928.	Aug. 8, 1928.	July 15, 1928.	Aug. 1, 1928.	July 18, 1927.	Aug. 17, 1927.
Gold bullion and coins	23,730	23,730	23,729	23,728	23,648	23,648
Silver coin	4,496	4,467	4,482	4,480	4,484	4,014
Balances abroad	78,650	78,125	77,829	78,084	77,995	31,812
Loans, notes & sm. change	10,243	9,139	9,183	9,730	11,723	11,030
Short term bills	89,648	83,764	82,733	83,108	82,838	70,447
Loans against securities	42,040	42,787	42,635	42,901	42,220	55,716
Other assets	10,706	9,030	10,346	10,167	10,199	12,767
LIABILITIES.						
Notes in circulation	41,255	41,656	41,433	41,839	41,106	27,319
Capital paid up	15,881	15,881	15,881	15,881	15,881	14,385
Reserve	3,091	3,091	3,091	3,091	3,091	2,612
Special reserve	2,500	2,500	2,500	2,500	2,500	2,500
Deposits	11,672	11,556	11,557	11,427	12,107	12,761
Current accounts	54,395	54,775	54,825	55,095	55,432	41,926
Government accounts	113,639	112,777	114,189	113,367	113,674	52,820
Other liabilities	10,379	9,945	7,961	9,308	9,630	15,119

BANK OF LITHUANIA.—In lt. (000's omitted).

Assets.	Aug. 15, 1928.	July 15, 1928.	June 30, 1928.	June 15, 1928.	Aug. 15, 1927.
Gold	34,254	34,253	34,252	34,251	32,178
Silver	4,432	4,454	4,514	4,510	4,526
State Treasury coins	1,890	1,896	1,891	1,887	1,878
Foreign currency	42,425	42,747	42,436	43,913	44,788
Discount and credit	2,738	2,832	2,822	2,849	60,103
LIABILITIES.					
Capital	12,000	12,000	12,000	12,000	12,000
Reserve	1,200	1,200	1,200	1,200	1,000
Banknotes in circulation	83,940	85,660	83,542	85,954	82,366
Deposits	71,691	70,660	72,189	73,794	74,334

BANK OF DANZIG.—In Danzig gulden (000's omitted).

Assets.	Aug. 15, 1928.	July 31, 1928.	July 14, 1928.	June 30, 1928.	June 15, 1928.	May 31, 1927.	Aug. 15, 1927.
Coin and bullion	2,791	2,356	2,744	2,510	3,004	2,707	2,543
Of which gold coin	6	6	5	5	5	5	5
Danzig subsidiary coin	2,785	2,350	2,739	2,505	2,999	2,702	2,533
Bills of exchange	14,022	15,283	13,668	15,668	11,831	15,118	17,091
Loans	18,527	20,492	19,964	20,870	20,891	21,699	19,524
Foreign exchange	27,421	27,308	27,936	26,660	25,768	26,883	27,986
Other bills on demand	1,998	1,589	1,056	876	1,535	859	1,504
LIABILITIES.							
Capital paid up	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Notes in circulation	33,956	37,681	33,723	37,352	32,249	35,709	34,603
Deposits on demand	3,625	3,577	5,042	3,459	3,185	3,787	3,010

BANK OF JAPAN.—In yen (000's omitted).

Assets.	July 21, 1928.	July 14, 1928.	July 7, 1928.	June 30, 1928.	July 23, 1927.	Position, June 30, 1914.
Cash and bullion	1,136,146	1,136,022	1,136,204	1,136,555	1,128,450	221,320
Discounts	769,267	773,640	770,891	769,658	755,887	41,740
Advances	74,214	74,046	73,775	73,254	68,550	79,540
LIABILITIES.						
Notes	1,211,140	1,228,834	1,269,214	1,462,655	1,231,797	382,270
Govt. deposits	634,776	630,371	653,174	659,686	765,903	87,348
Other deposits	443,768	407,546	370,604	244,515	289,051	11,440

CENTRAL BANK OF CHILE.—In \$'s (000's omitted).

Assets.	July 13, 1928.	July 6, 1928.	June 30, 1928.	June 15, 1928.	July 22, 1927.
Gold abroad	62,045	62,028	62,036	62,048	84,894
Discounts and advances	484,729	528,319	501,487	516,110	495,067
Loans to Government	8,331	9,883	9,221	9,755	20,032
LIABILITIES.					
Notes of the bank in circulation	312,345	316,335	319,491	315,978	262,745
Govt. notes in circulation	23,341	24,768	25,725	26,927	74,812
Deposits	148,685	160,987	155,016	164,879	109,545
Draws	1,927	1,927	1,927	1,927	77,465
Paid up capital	89,523	89,523	89,523	89,523	77,889

NATIONAL BANK OF EGYPT.—In £ (000's omitted).

Assets.	June 30, 1928.	May 31, 1928.	Apr. 30, 1928.	Mar. 31, 1928.	June 30, 1927.	Position, May 31, 1914.
Gold	3,786	3,774	3,840	3,823	3,657	1,571
Govt. securities	44,285	44,726	45,833	46,187	48,080	2,084
LIABILITIES.						
Notes in circulation	26,551	28,837	29,286	29,281	29,210	2,409
Govt. deposits	21,421	17,118	18,200	17,378	21,514	2,315
Other deposits	16,180	16,600	17,226	17,856	16,881	2,600

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

LONDON RATES.

	Aug. 16, 1928.	Aug. 17, 1928.	Aug. 18, 1928.	Aug. 20, 1928.	Aug. 21, 1928.	Aug. 22, 1928.	Aug. 23, 1928.
Bank rate (changed from 5% April 21, 1927)	4½	4½	4½	4½	4½	4½	4½
Market rates of discount	4½	4½	4½	4½	4½	4½	4½
60 days' bankers' drafts	4½	4½	4½	4½	4½	4½	4½
3 months' do	4½	4½	4½	4½	4½	4½	4½
4 months' do	4½	4½	4½	4½	4½	4½	4½
6 months' do	4½	4½	4½	4½	4½	4½	4½
Discount (Treasury Bills)							
2 months	4½	4½	4½	4½	4½	4½	4½
3 months	4½	4½	4½	4½	4½	4½	4½
Loans Day to day	4½	4½	4½	4½	4½	4½	4½
Short	4½	4½	4½	4½	4½	4½	4½
Deposit allowances: Banks	4½	4½	4½	4½	4½	4½	4½
Discount houses at call	4½	4½	4½	4½	4½	4½	4½
At notice	4½	4½	4½	4½	4½	4½	4½

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

Comparison with previous weeks:—

	Short	3 Months	4 Months	6 Months	3 Months	4 Months	6 Months
Aug. 1928.	4½	4½	4½	4½	4½	4½	4½
9.	4½	4½	4½	4½	4½	4½	4½
16.	4½	4½	4½	4½	4½	4½	4½
23.	4½	4½	4½	4½	4½	4½	4½

OVERSEAS BANK RATES.

	Changed.	%	Changed.	%
Amsterdam	Oct. 12, 1927	4½	Oct. 12, 1927	5½
Athens	June 7, 1927	10	Jan. 19, 1928	5½
Belgrade	July 26, 1921	6	Jan. 8, 1927	5½
Bombay	Oct. 5, 1927	7	Jan. 8, 1928	5½
Brussels	June 30, 1928	4	Jan. 2, 1928	5½
Bucharest	Sept. 4, 1920	6	Jan. 2, 1928	5½
Budapest	Aug. 26, 1926	6	Jan. 2, 1928	5½
Calcutta	July 19, 1928	5	June 25, 1928	5½
Canton	June 23, 1927	5	Aug. 5, 1924	10
Danish	June 30, 1927	6	Apr. 30, 1928	4
Helsingfors	Aug. 7, 1928	6½	Apr. 30, 1928	4
Kobe	Feb. 8, 1925	7	Oct. 22, 1925	5½
London	July 28, 1926	8	Oct. 18, 1927	5½
New York Federal Reserve	July 12, 1928	5	July 16, 1928	6½
Madrid	Mar. 23, 1923	5	May 15, 1927	8

Central Bank of Chile.—Discount rate for member banks, 6½%; discount rate for the public, 7½%.

† 6% applied to banks, &c., charging not more than 11% p.a. for their loans.

† 7% applied to banks, &c., charging more than 11% p.a. for their loans.

RATES OF EXCHANGE.

London on	Usance	Par.	Aug. 26, 1927.	Aug. 16, 1928.	Aug. 23, 1928.
New York	Dollars to £1	Cable	4.864	4.854	4.854
Montreal	Dollars to £1	Cable	4.864	4.854	4.854
Paris	Francs to £1	T.T.	124.21	123.95	124.20
Brussels	Francs to £1	T.T.	20.43	20.43	20.43
Amsterdam	Gulden to £1	T.T.	12.107	12.133	12.107
Antwerp	Gulden to £1	T.T.	35.00	34.92	35.00
Madrid	Pesetas to £1	T.T.	92.46	93.30	92.46
Bombay	Rupies to £1	T.T.	25.22	25.21	25.21
Calcutta	Rupies to £1	T.T.	18.15	18.15	18.15
Canton	Rupies to £1	T.T.	18.15	18.15	18.15
Copenhagen	Kroner to £1	T.T.	18.15	18.15	18.15
Helsingfors	Kroner to £1	T.T.	25.22	25.21	25.21
Lyons	Francs to £1	T.T.	4.864	4.854	4.854
Manila	Pesetas to £1	T.T.	25.22	25.21	25.21
Medan	Rupies to £1	T.T.	25.22	25.21	25.21
Shanghai	Rupies to £1	T.T.	25.22	25.21	25.21
Singapore	Rupies to £1	T.T.	25.22	25.21	25.21
Sourabaya	Rupies to £1	T.T.	25.22	25.21	25.21
Tientsin	Rupies to £1	T.T.	25.22	25.21	25.21
Yokohama	Rupies to £1	T.T.	25.22	25.21	25.21

* As from Oct. 13. † Rate for previous day. ‡ Pence to escudo.

(a) An official stabilisation at 290.303 dollars to 100 krona, i.e., approximately 162½ krona to £.

MOSCOW QUOTATIONS FOR TCHERVONETZ.

According to advices received in London, the following are the Moscow quotations for tchervonetz:—

GENERAL.
JUTE.—Market very quiet and prices gave way at first as some inclination to press was apparent on the part of sellers, but later affairs quickly reacted, as relaxation of pressure was followed by considerable buying, mainly on Calcutta account. Firsts, old crop, August-September, sold, £37 and £38 10s and £37 10s; new ditto, sold,

count market has been quiet, with rates steady, and there has been little demand for bills on Continental account. The India six months' bills were allotted at a fraction over $4\frac{1}{4}$ per cent., the average coming out at a fraction below that rate, and they have been offered in the market since at $4\frac{3}{8}$ per cent., but have met with very little demand in the present money conditions and the uncertainty of the outlook. While the American exchange remains at very little above the gold export point, however, opinion on both sides of the Atlantic appears to be settling down to the belief that there is no desire on either side to see gold move to New York in response to the high call money rates now prevailing there, but the Montreal rate continues weak, at well below New York, giving rise to the possibility of a London-Montreal movement, an unusual proceeding.

	Aug. 30, 1928.	Aug. 23, 1928.	Aug. 16, 1928.	Aug. 9, 1928.	Previous Rate and Date Changed.
Bank Rate	4 $\frac{1}{4}$	4 $\frac{1}{4}$	4 $\frac{1}{4}$	4 $\frac{1}{4}$	5 (Apl. 21, '27)
Banks' Deposit Rate	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$	3 (Apl. 21, '27)
Discount (Call)	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$	3 (Apl. 21, '27)
Houses' Notice	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$	3 $\frac{1}{4}$ (Apl. 21, '27)
Market rate (3 months' bills)	4 $\frac{1}{4}$	4 $\frac{1}{4}$	4 $\frac{1}{4}$	4 $\frac{1}{4}$	..

The Bank return revealed an increase in the stock of gold of £1,044,100 and £520,800 in circulation. Reserve was £523,300 higher than a week ago. The proportion of reserve to liabilities is $52\frac{1}{2}$ per cent., or $\frac{1}{2}$ per cent. higher than last week and $23\frac{1}{2}$ per cent. higher than a year ago. Public Deposits rose by £2,616,700, but Other declined by £2,590,300. Government Securities rose by £1,171,600, and Other declined by £1,649,400. Currency notes were increased by £2,213,000 to £296,917,000, which includes £1,250,100 for notes called in but not yet cancelled. The fiduciary issue is £239,417,400, or £5,517,700 below the maximum for 1928.

The Swedish Bank Rate was raised from 4 per cent. to $4\frac{1}{2}$ per cent. on August 24th.

The Bank of Italy reduced its rate from $5\frac{1}{2}$ per cent. to $5\frac{1}{4}$ per cent. on August 27th.

NEW YORK MARKETS.

Our New York correspondent cables:—The share market continues buoyant, with a heavy turnover. Brokers' loans, however, remain near their recent low level, and it is believed that the Federal Reserve authorities will be content to see money stabilised at its present level provided speculative absorption of credit does not increase sharply. Meanwhile, money is not so firm as was anticipated in advance of the month-end, and a period of relaxation is expected after the Treasury's redemption operations of September 15. The weekly Federal Reserve statement reveals only nominal changes in the condition of the system. The chief item of interest is a drop of \$12,000,000 in the contingent liability on bills purchased for foreign correspondents, which have now fallen \$28,000,000 since August 1. Industrial activity is growing and good autumn business is expected.

THE STOCK MARKETS.

Stock markets had an appearance of increased activity. Business still had a holiday character, but its volume tended to broaden, and markets were not too well furnished with stock. The gilt-edged markets were quiet but steady, and Colonial stocks firm in tone. Home railways opened more cheerfully than of late, but failed to maintain their improvement. In the industrial markets gramophone and artificial silk shares were animated, and a moderate investment demand was experienced in other directions, including insurance, banking, and shipping shares. Rubber and tea shares were quiet, and oil shares less buoyant, but favourable developments were in evidence in the Kaffir market.

THE COMMODITY MARKETS.

There are indications that the influence of weather and crop reports on the wheat market has spent its force, and prices are firmer. Apart from a rush of buyers to anticipate the September advance of 1s, there has been little activity in the coal trade, but conditions are, if anything, a shade better. Pig-iron continues dull, but manufactured steel maintains a slight improvement, and business in the electrical engineering branch is very satisfactory. Conditions are quiet on the London metal exchange, but prices have been fairly well maintained. A slight easing of the Liverpool cotton market was checked by reports of crop deterioration. Business in Manchester piece-goods has been better, but buying, owing to the uncertainty of future prices, has been for immediate requirements only. The cotton yarn market is quiet. Trade in wool and woollen goods is still impeded by great uncertainty as regards prices. Raw jute is weaker, but yarn and cloth are very firm. Business in hides and sole leather, with the exception of offals, is limited, but some classes of upper stock are selling well. The boot and shoe trade is very quiet. The market in vegetable oils has been more lively, but seeds and oil-cake are, on the whole, easier. Few other markets show any change.

FOREIGN EXCHANGES.

During the past week sterling on New York has remained steady at 4.85-9-13, the only variation being on Friday last, when 4.85 13-32 was recorded. Forward dollars were higher during the week, being offered at 15-32 cents discount for one month and 11-32 cents discount for three. These margins eased off slightly at the close. Canada was in good demand throughout the week, closing at 4.84 $\frac{1}{2}$. Three months' forward Canada was $\frac{1}{2}$ cent discount. Paris rose to 124.29, but at this point the Banque de France took control and sold dollars to prevent further depreciation. The Banque de France also took steps to increase the premium on forward francs to 12 centimes for one and 22 centimes for three months, which action was calculated to make the temporary transfer of French funds abroad less profitable. Amsterdam appreciated slightly to 12.10 $\frac{1}{2}$ and forwards were more offered at $\frac{1}{4}$ and $\frac{1}{2}$ cents discount for one and three months respectively. Brussels moved in favour of sterling to 34.90 $\frac{1}{2}$, with forwards lower at 1 cent. discount for the one and 2 $\frac{1}{2}$ for the three months' periods. Erratic movements occurred in Spanish pesetas, but they closed better on balance at 29.22, as compared with 29.30 last week. Forwards were $5\frac{1}{2}$ centavos premium for one month and 16 for three. There was a consistent demand for lire, with considerable pressure for the end of the month requirements. After touching 92.50, as compared with 92.67 last week, the rate closed at 92.60. This pressure was reflected in the wider discounts of 15 centesimi for one month, and 37 centesimi for three months, quoted on Tuesday last. Switzerland was 25.20. Among the Scandinavian exchanges the only movement of note was an appreciation to 18.12 $\frac{1}{2}$ in Stockholm as a result of the Bank rate being raised from 4 per cent. to $4\frac{1}{2}$ per cent. The German exchange appreciated early in the week to 20.35 $\frac{1}{2}$, with forwards at wider discounts of 3 $\frac{1}{2}$ pfennigs and 9 $\frac{1}{2}$ pfennigs for one and three months. A reaction occurred to 20.37 at the close. Among the Eastern exchanges Japan improved to 15 10 $\frac{1}{2}$ d on Monday, but a relapse to 15 9-32d occurred later; rupees were steady at 15 5 31-32d. Batavia was 12.11 $\frac{1}{2}$, and a further improvement took the Constantinople rate to 930. There was not much change in the South American exchanges, Monte Video being 50 $\frac{1}{2}$, with a slightly better demand; while Buenos Aires was 47 13-32d. Hongkong was 2s 0 $\frac{1}{2}$ d and Shanghai 2s 8 $\frac{1}{2}$ d. Spot silver was decidedly easy in the early part of the week, 26 13-16d being quoted, with 27d for forward. This was due to considerable Continental offerings and Eastern selling. A slight recovery to 26 $\frac{3}{4}$ d and 27 $\frac{1}{2}$ d occurred at the close. Lisbon depreciated further to 108; other rates were unchanged.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended August 25, 1928:—

(000's omitted.)			
EXPENDITURE.		RECEIPTS.	£
Supply Services	4,296	From Revenue.....	8,420
Interest, &c. on Debt	999		
Sinking Fund	1,158		
Decrease in Debt	787		
Increase in Balances	72		
Sundries	1,108		
	8,420		8,420

The Ordinary Revenue for the week amounted to £8,419,800, as compared with £8,064,600 in the corresponding week last year. Property and Income-tax brought in £2,619,000, as compared with £3,042,000, and Super Tax showed no change at £170,000. Customs were higher at £3,377,000, against £2,417,000, and Excise at £1,328,000, against £922,000. Ordinary Receipts brought in £15,800, against £242,000, but Special Receipts were nil, against £6,700. The national debt was reduced by £787,000, as shown below:—

(000's omitted.)			
	£		£
Public Department Advances	— 5,450	Treasury Bills	3,113
National Savings Certificates	— 190	5% Treasury Bonds	1,700
	<u>— 5,600</u>		<u>+ 4,813</u>

The floating debt was reduced by £2,355,000 to £758,215,000.

FINANCIAL YEAR, 1928-29, April 1 to August 25, 1928.

£		£	
Expenditure	299,995,181	Revenue	219,905,855
		Amount borrowed ..	76,563,633
		Decrease in balances	3,525,693
	299,995,181	Total	299,995,181

ESTIMATES (New Basis), 1928-29.

£		£	
Expenditure	676,581,000	Revenue	*756,083,000
Sinking Fund	65,000,000		
Surplus	14,502,000		
	756,083,000		756,083,000

* Includes £13,200,000 from Currency Notes Assets.

SELF-BALANCING REVENUE AND EXPENDITURE.

Post Office	57,314,000
Road Fund	21,300,000
	78,614,000

The surplus of £4,239,000 for 1927-28 is carried forward.

ECONOMIST INTELLIGENCE BRANCH.

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

THE SIGNING OF THE PEACE PACT.

THIS Monday, August 27th, the Peace Pact was signed at Paris, "according to plan," by representatives of the fifteen States which had been invited to participate in this first stage of the procedure. Auspiciously enough, the first of these statesmen who set his name to the document was the Foreign Minister of "Allemagne"—the State which happened to head the list according to the alphabetical order of the names in the French language. This was a happy chance—particularly in view of the great services which Dr Stresemann has rendered to the world in general, as well as to his own country, in the furtherance of the common cause of peace. We congratulate Dr Stresemann upon having succeeded, in spite of the still incompletely restored state of his health, in taking part personally in this historic ceremony.

Meanwhile, the second stage of the procedure has been promptly inaugurated. Immediately after the Fifteen had signed the instrument in Paris, the various United States Ambassadors and Ministers accredited to other Governments all presented identical Notes to these respective Governments, reviewing the history of the Pact up to date and inviting adhesion. There seems little likelihood that any of these Notes will elicit rebuffs; and a special

arrangement has also been made for extending the invitation to the U.S.S.R., which has likewise displayed a disposition to range itself with the rest of the world in this great international transaction. Thus everything points to the likelihood that, in the near future, the Pact will have been signed by all the seven existing Great Powers and by an overwhelming majority of the other independent States of the world. Indeed, Afghanistan and the two Arabian States of Najd-Hijaz and the Yemen are the only three parties which, at the moment, occur to our minds as being left unprovided for. It is, of course, desirable that these three States also should be brought into the fold, and especially desirable from the British point of view, since all three—remote though they may be from the world at large—happen to march with British Possessions, Protectorates, or mandated territories which have suffered in the past from the warlike propensities of these neighbours. Still, this is a comparatively small matter. Substantially, the signature of the Peace Pact by practically the whole company of existing independent States seems now more probable than not, on the most cautious estimation.

This, of course, is only the first step; but in diplomacy, pre-eminently, *c'est le premier pas qui coûte*; and the mere signature of the Pact by almost all the States of the world would in itself be a psychological landmark. It would register the fact that the elimination from human affairs of the ancient, though possibly not primordial, institution of war has now been admitted into the domain of practical politics as an objective which it is not only reasonable to pursue, but is urgent to attain, and that speedily. And if the Devil's Advocate questions whether the signature of the Pact really does indicate a change of attitude towards war in the hearts and minds of the statesmen concerned, we can, at any rate, retort that the institution of war has itself undoubtedly changed profoundly for the worse within the term of those statesmen's experience of affairs, owing to the astonishing progression in our generation of the leading tendencies of modern Western civilisation, by which all our institutions have been affected for good or evil. Among the tendencies which have incidentally made war more menacingly evil than it was already we can lay our finger upon two of special significance.

The first is our unprecedented capacity for "organisation," which for the first time in recorded history has made it possible, and therewith inevitable, that in any future war the total resources of each belligerent community, in "man-power" as well as in material power, should be mobilised. Moloch's furnace is now such a marvel of mechanical ingenuity that it engulfs not merely a tithe or the first-born, but all that we have and all that we are. That is the moral of the recent French law for the mobilisation of the national resources in time of war—a document which does not convict the French nation of any peculiar wickedness, but simply substantiates its claim to be a nation which looks facts in the face and knows how to draw the logical conclusions from them. We commend the text of this law to the attention of those sceptics who deny that the problem of war is different now from what it has been in the past. It will give them some notion of what we are all "in for" if the Peace Pact fails of its effect. In future we shall all find ourselves compelled to make war in the manner and to the degree for which this French law providently prepares. The moral is, of course, that we can no longer afford to make war at all.

The second factor which has immensely increased the destructive power of war is the tendency for the major operations of our economic life to change from the national to the world-wide scale. So long as the war-making unit was substantially co-extensive with the producing and consuming unit, the capacity of war for causing economic dislocation was limited. It is unlimited now.

We may add that these two tendencies—namely, that towards a higher degree of national organisation and that towards a world-unit for economic operations—are both irresistibly strong, and may be expected to go on gathering momentum regardless of whether we succeed in eliminating war from human affairs or not. Economic tendencies will not wait upon political progress. If political progress lags behind so far that we fail to pre-

Germany, France, Belgium, Luxemburg, etc.; and (3) Great Britain. There are other striking points, which will be noted in a moment, but the statistical aspect of the industry may first be glanced at:—

STEEL OUTPUT IN THE LEADING COUNTRIES, IN TONS.

	1913.	1928 So Far as Recorded.	Last Month Recorded.
Britain	638,000	708,900	666,900 July
Germany	1,445,700	1,298,600	1,274,300 June
U. States	2,608,400	4,209,900	4,203,200 May
Belgium	202,300	311,600	320,100 May
France	384,500	758,100	784,600 June
Luxemburg	109,000	208,400	211,600 June
Saar	145,000	166,800	158,500 April
Russia	396,700	354,000	374,100 March
Italy	77,000	131,100	152,300 March
Poland	133,000	106,400	106,300 April
Canada	87,000	106,300	117,700 May

Export trade may claim attention next. This country has a supreme stake in export of manufactures because of its huge imports of food. The bare tonnage figures do not tell the full story, as will be explained shortly, but they tell much. In 1907 we exported the record of 5,000,000 tons of iron and steel and products, exclusive of engineering goods, and we imported less than 1,000,000; we had a favourable balance of more than five tons to one. But in the two and a half years from January, 1926, to June, 1928, inclusive, we have imported more than we have exported, on a tonnage basis—which is not everything, though it is important and serious. In round figures we have this record:—

IRON AND STEEL EXPORTS, IN TONS.

	Pre-War Best Annual Rate.	Current Annual Rate.
Britain	5,000,000	4,000,000
Germany	7,000,000	4,500,000
United States	2,500,000	2,000,000
Belgium*	1,500,000	4,500,000
France	500,000	5,250,000

* Luxemburg exports were included in the German returns before the war. They are now included in the Belgian figures.

In imports the striking feature is that our country, which took only 1,000,000 tons of foreign iron and steel in a year 20 years ago, has imported about 9,000,000 tons in the last two and a half years, whilst something like half our productive capacity has stood idle. But, apart from mere tonnage, there have been important changes in our import and export trades in recent years. Before the war we imported many finished steel products, such as steel rails. Now the bulk of our imports consist of pig-iron and crude steel, plus semis, such as plates and sheets. Again, before the war we exported heavy tonnages of pig-iron. Now we export little pig-iron. A much bigger percentage of our exports is highly finished products.

Our trade returns for the first half of this year have not attracted the attention they merit. As compared with the first half of 1927 the figures are good, for exports are up and imports down; but as compared with pre-war years the returns are bad, for with a much bigger world's demand we have exported less, and we have imported more. However, there is this good point, namely, that whereas before the war a big percentage of our exports was raw or crude material, only a small percentage is raw or crude to-day. We export much less pig-iron, but far more galvanised sheets. We import more pig-iron and crude steel, but fewer steel rails than before the war. Our manufacturers are concentrating far more on finished, or more highly finished, products than in the old days. Exports of galvanised sheets at £13 to £14 a ton are more valuable than those of pig-iron worth only £3 to £3 10s a ton. On the export side galvanised sheets head the list at 325,000 tons for the first six months of the year; tinplates stand second at 270,000 tons; and steel rails come third with 218,000 tons. On the import side billets are at the top with 335,000 tons, whilst steel rails (heavily imported before the war) are a long way down at only 9,900 tons. It is interesting to note that more than half our iron and steel imports come from Belgium. The average monthly tonnage received from that country is 141,000; Germany has sent us only 41,000 tons per month, and France is a poor third in our import tables, being responsible for only 25,000 tons per

month. Turning from competitors to customers, we have this interesting table:—

BRITISH IRON AND STEEL EXPORTS—FIRST HALF OF 1928.

To—	Tons.	To—	Tons.
India	364,000	Belgium	60,000
Australia	206,000	British West Africa	48,000
Argentina	193,000	Egypt and Palestine	48,000
South Africa	155,000	New Zealand	47,000
Straits Settlements	103,000	United States	45,000
Japan	100,000	Holland	44,000

The emergence of France as a great rival in exports is the outstanding feature of post-war steel history. France not only secured the industrial Lorraine and other territory at the end of the war, but she has made great steel works extensions besides. Incidentally, Germany, bereft of Lorraine, Luxemburg, the Saar, and other industrial territory, has fully balanced the loss. The Smaller Germany can make as much steel as the pre-war Greater Germany. The aggregate productive capacity of Continental Europe is almost 50 per cent. greater than it was in 1913. So is the British capacity. The American increase is possibly 60 per cent. But the United States is a weaker competitor than before the war. As compared with pre-war, American rail rates are 60 per cent. higher, but as the haulage distances in the States are, on the average, between two and three times as long as Continental European distances, and some ten times as long as British distances, it follows that the point-to-point charges have increased far more in America than in Europe, and vastly more than in Britain. It is now practically impossible for the United States to export any considerable tonnage of heavy iron and steel goods to any far-distant country. From a highly promising second position in exports a quarter of a century back, America has fallen to an extremely weak fifth position. Canada is the only big market now for American heavy iron and steel. And British steel can be quoted c.i.f. Canada cheaper to-day than the bed-rock prices of American steel.

There is another important point. At various times Canada, Australia, India, Japan, China, Brazil, and some other importing countries have launched more or less ambitious iron and steel enterprises, and we have been told that they would make cheap steel, render themselves independent of imports, and would become formidable exporters. But those countries import more to-day than they did before they attempted to make steel for themselves on modern lines. It comes to this, therefore, that the world continues to depend almost entirely on the three areas mentioned above for its steel—United States, Western Continental Europe, and Great Britain. With America practically out of the foreign trade running, save to the Canadian market, the steel-importing world must depend almost entirely on those producing countries controlled by the steel cartel and Great Britain. In other words, the competition is between our country and cartelised Europe. In no other part of the world but this—or these two parts (Britain and cartelised Europe)—can steel be produced at a truly competitive or economic cost.

THE T.U.C. AND INDUSTRIAL POLICY.

(FROM A LABOUR CORRESPONDENT.)

THE annual report of the General Council, which is to be presented at the Trades Union Congress at Swansea next week, is important from the public point of view because of its clearly defined attitude towards the problem of industrial peace. The change which has taken place is best appreciated by a comparison with the Scarborough Congress of 1925, when the "left wing" was at the zenith of its influence, and when resolutions were passed utterly at variance with the present temper of the trades union movement. Two factors have been responsible for the reorientation of attitude—a realisation of the impossibility of finding a basis of understanding with the Russian trade unions and its experiences arising out of the general strike.

The Trades Union Congress of 1926 met in the shadow of the general strike and during the long-drawn-out coal stoppage. The change in the temper and outlook of the

delegates was already apparent. In 1927 the Edinburgh Congress, under the chairmanship of Mr. George Hicks (who is now endeavouring to explain away the olive branch which he held out in his presidential address), had escaped from the uncertainty of 1926. The "left wing" was very badly hammered. Since then the *bloc des gauches* has suffered further rebuffs, but for some time it was not clear whether the Mond-Turner discussions would meet with the approval of the trade unions.

When the discussions first began trade union opinion was divided into three groups. There were those who were wholeheartedly in favour of the conversations, and believed that good would accrue from them. In the second place, there was the "left wing," who denounced the joint discussions as a betrayal of the working class. Thirdly, there was a pretty large middle body of opinion which, whilst not actively opposed to the General Council's meetings with the employers, would not have been surprised if the discussions had come to nothing.

This middle body of opinion has now, generally speaking, swung behind the General Council. The reasons for this shifting of more or less neutral opinion are two. In the first place, the employers have unequivocally declared for the fullest possible trade union recognition and against victimisation, including the victimisation of active participants in the general strike. Secondly, it is understood that in the future discussions the employers at the conferences will be the accredited representatives of the Federation of British Industries and the National Confederation of Employers' Organisations, instead of unrepresentative individuals.

The left wing members of the General Council have been overborne, and the annual report of the Council will undoubtedly rally the vast majority of the delegates to the forthcoming Congress to support the continuance of the Mond-Turner Conference. The report is a notable document and marks a further step in the evolution of the central organisation of British trades unionism. It must, indeed, be viewed in this light to be properly understood. After the war the skeleton organisation of the Trades Union Congress and its Parliamentary Committee were scrapped. The General Council of the Trades Union Congress was established with wider powers than those enjoyed by the old Parliamentary Committee. Trades union reorganisation was in the air. The early post-war period saw the inauguration of large-scale amalgamations and federations. There was a widespread desire to bring about a greater degree of co-ordination in the trades union movement as a whole, and as a result the enlarged General Council was established.

But at first the constituent unions of the Congress were chary of giving the Council executive powers, and in its early days the Council moved slowly and cautiously. Behind the general idea of the reorganised central trades union authority, however, was a conception of it as a body which would evolve a national trades union policy and become a power in the industrial world. The intervention of the Trades Union Congress General Council in the discussions on the coal situation in 1925 and 1926 and the subsequent declaration of the national strike by the Council in 1926 gave it a new authority and prestige in the trades union world, an authority which it has since not been slow to use. Whilst it had no mandate from Congress to participate in discussions on industrial policy with Lord Melchett and his colleagues, it was sufficiently sure of its ground to do so.

The General Council entered into the conversations as a deliberate step in the direction of the formulation of a national Labour policy in industry, and with the object of taking a hand in determining the future trend of industry. Its annual report makes this perfectly clear. In its reasoned statement to the Congress it lays it down that there are "three possible lines of policy open to the trade union movement." The first is "to say frankly that the unions will do everything possible to bring the industrial machine to a standstill, to ensure by all possible means the breakdown of the entire system, in the hope of creating a revolutionary situation on the assumption that this might be turned to the advantage of the workers and to the abolition of capitalism." This policy, the report points

out, the movement "has decisively rejected as futile, certain to fail, and sure to lead to bloodshed and misery." The second course is "one of standing aside and telling employers to get on with their own job, while the unions would pursue the policy of fighting sectionally for improvements." This the Council regards "as a confession of failure, for unions to say they are going to take no hand in the momentous changes that are taking place in the economic life of the country." "The third course," declares the General Council, "is for the trade-union movement to say boldly that not only is it concerned with the prosperity of industry, but that it is going to have a voice as to the way industry is carried on, so that it can influence the new developments that are taking place." But this does not mean that the broad policy of organised Labour has changed or been whittled down, for the report declares that "the ultimate policy of the movement can find more use for an efficient industry than for a derelict one, and the unions can use their power to promote and guide the scientific organisation of industry, as well as to obtain material advantages from that organisation." The Council regards this third course as the only possible line of policy if the trade-union movement is to endure as "a living constructive course."

There is not the slightest doubt that the report will be adopted by the Congress and its policy endorsed. The resumed negotiations, therefore, will be carried on with greater authority than was the case in the preliminary discussions. The left wing will continue to rave incoherently, but the general attitude of the trade unions to-day is in favour of constructive negotiations.

CROP CONDITIONS IN CANADA.

(BY OUR OTTAWA CORRESPONDENT.)

At present all reports and opinions agree that the outlook for the all-important grain crop of the Prairie Provinces of Canada has rarely been better than at the present date. Weather conditions have been almost consistently favourable, except in isolated districts. Spells of warm, summer weather have been varied by cool periods. The reserves of moisture, except in odd districts, have always been abundant, and when drought threatened timely rains have almost invariably intervened to save the situation. The result is that the crops everywhere in Manitoba, Saskatchewan, and Alberta have made steady progress and have suffered no real set-back at any period. The wheat crop is now headed out in practically every section of the Prairie, and cutting, which has commenced in a few early localities, will be general by the middle of the month. Some hailstorms of hurricane dimensions have wrought severe damage in the districts which they afflicted, but the aggregate loss is not large, and the crop has been remarkably immune from the plagues of cut-worms and rust which often beset it. The reports of the two great railway systems and the banks all strike a most optimistic note, and Mr E. A. Ursell, statistician to the Board of Grain Commissioners, in his last report on crop conditions, declared that while there was still time for damage to develop, all reports indicated that the western farmers would garner the greatest crop in the history of the Dominion. The latest official survey of the Dominion Bureau of Statistics, published on August 11th, which usually takes a very conservative line, characterises the prospects as the best in many years, and while it does not venture any estimate of production in terms of bushels, it gives the condition of the principal field crops for all Canada in percentage of the ten years' average, as follows (the condition for June 30, 1928, and for July 31, 1927, being given within brackets):—Spring wheat, 107 (103; 105); oats, 101 (101; 102); barley 101 (102; 99); spring rye, 101 (99; 104); peas, 99 (98; 99); beans, 97 (98; 94); buckwheat, 101 (101; 98); mixed grains, 103 (101; 101); flax seed, 98 (98; 99); corn for husking, 91 (92; 85); potatoes, 102 (99; 102); turnips, &c., 101 (99; 98); fodder corn, 95 (95; 88); sugar beets, 98 (97; 95); pasture, 105 (101; 106).

For the Prairie Provinces the figures of condition for the principal cereals and flax seed on July 31, 1928 (compared with June 30, 1928, and July 31, 1927, in brackets), were as follows:—Manitoba: 1927, in brackets; oats, 100 (103; 98); barley, 101 (104; 97); spring rye, 96 (100; 100); flax seed, 93 (99; 93); Saskatchewan: wheat, 105 (100; 100); oats, 100 (99; 103); barley, 101 (99; 102); spring rye, 99 (98; 104); flax seed, 100 (98; 102); Alberta: spring wheat, 111 (107; 108); oats, 104 (105; 105); barley, 104 (103; 104); spring rye, 106 (109; 107); flax seed, 104 (101; 99). The estimates of the areas sown to the principal crops in the three Prairie Provinces are now available. The wheat acreage is 23,098,505 acres, as compared with 21,425,636 in 1927, an increase of 1,672,849 acres, of which 404,704 acres are in Manitoba, 811,575 in Saskatchewan, and 456,526 in Alberta. The acreage under oats is placed at 8,157,411 acres, which is about equal to last year's acreage of 8,205,067 acres. Barley acreage shows a notable increase, having jumped from 2,838,346 acres in 1927 to 4,104,250 acres; rye acreage, placed at 753,715 acres, shows a gain of 102,785 acres, but the flax acreage has fallen from 465,451 to 367,385 acres.

In the central provinces of Ontario and Quebec the crops, while not showing the exceptional promise visible on the Prairies, are well up to the average standard. Haymaking has been in progress for some time, but has been interrupted by wet weather, and some of the crop, which is a good average, is being spoiled. Barley and oats are both heavy crops, and the cutting of both has begun. Potatoes and root crops are in a healthy condition and making good progress. Apples, peaches, and pears are a good average crop in Quebec, but orchard conditions in Ontario are only moderately good. The tobacco crop of Quebec is excellent, but in Ontario it is being retarded by wet weather. The moistness of the summer has made pastures very abundant, and the output of milk has been high. Now, however, warm, dry weather is needed by the crops, which are still growing. In the Maritime Provinces a hay crop, average in volume and of good quality, is being cut. The potato crop, which is of great importance in these regions, is also promising well, but the apple crop of these provinces has suffered from adverse conditions, and the estimate of the prospective yield is now scaled down to 850,000 barrels, which is only 75 per cent. of the five-year average. In British Columbia, however, the fruit crop is better than usual. The estimate for the apple crop is 15 per cent. above the five-year average, and it is of excellent quality. The peach crop is also good, and heavy shipments of peaches and plums of excellent quality are already going forward. The threshing of grain has begun, and better than average yields are reported. Pasture is abundant, but rains are required in many districts.

NEW COMPANIES ACT.—IV.

Mortgages, &c.—Section 43, which makes important alterations in the law relating to registration of mortgages, will affect most companies now registered, as well as all new companies. In future, charges on calls made but not paid, or on ships or any share in a ship, or on goodwill, patents, licences under patents, trade marks, copyrights or licences under copyrights, will have to be registered within 21 days of their creation or they will be void as against a liquidator. Moreover, if a company registered in England acquires property, subject to a mortgage or charge of a kind which would require registration if created by the company, particulars thereof must be filed within 21 days of the completion of the acquisition of the property.

Companies are required, within six months of the commencement of the new Act, to file particulars of any mortgage or charge created before the commencement of the Act and remaining unsatisfied, and of any mortgage or charge to which any property acquired before the commencement of the Act is subject, which would have had to be registered had the mortgage been created, or the property been acquired, after the commencement of the Act.

The provisions with regard to registration of mortgages are extended to cover mortgages and charges on property in England created by any foreign company which has established a place of business in England.

It will be remembered that under the Act of 1908 a floating charge created within three months prior to liquidation was, unless it was proved that the company was solvent at the date of the creation of the charge, declared to be invalid, except as regards new money raised on such floating charge. By Section 43 (3) of the new Act this period is now increased to six months.

Foreign Companies.—The provisions with regard to foreign companies and the information to be filed by them at the Joint Stock Registry are made much more stringent by Section 89. Several provisions, which previously had no application to foreign companies, are now made to apply to them, such as those above noted with regard to filing returns of mortgages and charges, filing prospectuses, &c. Moreover, it will now be necessary for every foreign company establishing a place of business in this country, whether the word "Limited" forms part of its name or not, if the liability of the members is, in fact, limited, to state this fact in every prospectus, and on all bill-heads, letter-paper, notices, advertisements, and other official publications, and to affix notice of the fact on every place where the company carries on business.

By Section 90 further facilities are given for serving process on foreign companies, and by Section 91 power is taken to wind up a foreign company in Great Britain, even though it may already have been wound up and dissolved in its country of origin. These provisions may prove useful in the case of companies like the Russian banks and insurance companies.

Liquidation.—The new Act contains a number of provisions relative to liquidations and receiverships. The most fundamental of the changes made is that contained in Section 67, which is designed to place in the hands of the creditors, instead of in the hands of the shareholders, the power to nominate and fix the remuneration of a voluntary liquidator, unless the liquidation is one in which creditors are to be paid in full. The test on this point is to be the making by a majority of the directors, prior to the date of sending out the notices for liquidation, of a statutory declaration to the effect that after full inquiry they are of opinion that the company will be able to pay its debts in full, within a period not exceeding twelve months from the commencement of the liquidation. Unless such a declaration is made and filed, meetings of the creditors and shareholders have to be summoned to be held simultaneously or within one day of each other. A full statement of the position with a list of creditors and estimated amount of their claims has to be laid before the creditors' meeting, and the creditors are given power at their meeting to nominate a liquidator and also a committee of inspection. If the shareholders nominate some other liquidator, any director, member, or creditor can within seven days apply to the court and the court will decide who is to be liquidator.

These provisions will very much complicate the question of putting an insolvent company into voluntary liquidation. It is certainly logical that, in a case of insolvency, creditors should have the controlling voice in the appointment of the liquidator and the fixing of his remuneration.

The new Act contains many other provisions affecting liquidation, such as Section 61, enabling the court to make orders vesting the company's property in the liquidator; Section 68, enabling a liquidator to disclaim onerous property with the leave of the court; Sections 69 and 70, bringing the practice with regard to executions and sales by the sheriff in company winding-up into line with the corresponding procedure in bankruptcy; Section 71, which vests the property of a dissolved company, remaining undisposed of, in the Crown; Section 65, enabling a liquidator to sell under Section 192 for shares in a foreign company; Section 45 (1), which enables a liquidator to compel a receiver for debenture-holders to render proper accounts to the liquidator and to pay over to the liquidator moneys due to him; Section 45 (2), which gives the court power to fix the remunera-

tion of a receiver not appointed by the court; Section 52, which provides a summary procedure for compelling liquidators and receivers to file the accounts and returns required by law; Section 66, which provides for the failure to get a quorum at the final meeting in a liquidation, a very common occurrence; and Section 85, which disqualifies bodies corporate from acting as liquidators, auditors, or receivers.

Special Resolutions.—The necessity for a confirmatory meeting in the case of a special resolution is at last done away with (Section 25), but it will now be necessary, unless all the members entitled to attend and vote otherwise agree, to give not less than 21 days' notice of any meeting at which it is proposed to pass a special resolution, and the resolution will still require to be passed by a three-fourths majority of those present. By the same section it is made clear that in no case can the articles require more than five members to demand a poll at any meeting at which an extraordinary or special resolution is to be passed, and that the articles may fix any number less than five. If no provision is made in the articles then a poll can be demanded by any three members, or by any one or more members, holding not less than 15 per cent. of the paid-up share capital of the company. (N.B.—Not the voting share capital.)

By Section 27 the minutes of general meetings of shareholders, held after the Act comes into operation, are to be open to inspection by any member without any charge, and copies thereof must be furnished.

By Section 26 it is now made necessary to file at the Joint Stock Registry copies of all special or extraordinary resolutions, resolutions which have been agreed to by all the members of the company, but which would otherwise have required special or extraordinary resolutions, all resolutions or agreements which effectively bind all the members of any class of shareholders, and resolutions for voluntary liquidation.

Other Provisions.—Section 24 extends the provisions in the Act of 1908 for enabling corporations to be represented at meetings of shareholders, and these provisions will now apply to foreign companies, and apply not only to shareholders' meetings, but to meetings of creditors, such as debenture-holders, &c. It is to be noted, however, that the Act still omits to require that any notice of an appointment made under the section shall be given to the company affected thereby.

Section 8 provides that, notwithstanding anything in the articles of association of a company, it shall not be lawful to register a transfer of shares or debentures unless proper instruments of transfer have been delivered to the company. The object of this section is no doubt to stop the verbal transfer of shares, which was becoming increasingly common and must have caused a considerable loss of revenue. It is provided, however, that the section is not to affect the right of a company to register as a shareholder or debenture-holder any person to whom the shares or debentures have been transmitted by operation of law, and that production of probate or letters of administration of the estate of a deceased person are to be accepted by the company as sufficient evidence of the grant. It remains to be seen whether this section will put a stop to the practice of issuing renounceable allotment letters, now so popular in public issues.

Section 40 of the Act of 1908, which enabled a company to distribute profits by way of return of capital, on the footing that the capital so returned could be called up again, is now repealed by Section 19 (3). The repeal of this section is no doubt designed to put an end to the schemes carried out thereunder to make distributions of profit in a form which did not subject the recipients to super-tax.

Section 2 expressly recognises that a company may amend its memorandum of association, in order to obtain express power to sell or dispose of the whole of its undertaking or to amalgamate with any other company or body of persons.

By Section 9 the provisions of the Act of 1908 with regard to the provision of copies of the share register to persons requiring the same have been overhauled and tightened up by providing time limits within which the information required must be supplied, and penalties for failure to comply. This reform was long overdue.

By Section 42 it is provided that new certificates must be issued within two months of a transfer being lodged for registration, and that if a company refuses to register a transfer it must notify the transferee within two months of the lodging of the transfer.

Section 5 requires a company either to keep an index of the register of members, or to keep the register in such a form as to constitute in itself an index.

The new Act does not provide for the abolition of the numbering of shares, and it will therefore still be necessary to number shares, nor is any provision made for the issue of shares of no par value.

It remains to be seen how far the drastic penal sections contained in the new Act will prove efficacious, to prevent an unscrupulous man from extracting money from the pockets of the unwary, or to bring him to book afterwards. That the Act very much increases the liabilities of all directors and officers of companies is beyond question. One may hope that it will be the guilty rogue and not the innocent fool of a director upon whom the full force of the law will descend.

(In response to numerous requests, this series of articles on the New Companies' Act will be reprinted in pamphlet form, and will be obtainable at the office of the *Economist*, price 1s.)

Notes of the Week.

The Shadow of the Election.—This month will see the political parties organising their forces and preparing their ammunition for next year's General Election. The Party conferences will all assemble towards the end of the month, and there is already much activity at headquarters. It is impossible so far ahead to foresee what will be the major influences in the actual fight itself, but some light may be thrown in the near future on two factors which will undoubtedly play an important part. The first is the line which the Conservative Party will adopt on Protection. The Conservative headquarters are said to be wrestling with numerous resolutions from the constituencies on this question, but it appears that careful preparations are to be made to prevent the stampeding of the conference into any policy which can be represented as general protection. Only the event will show whether the managers can succeed in this delicate task. The other issue is the rôle to be played by the Liberal Party, and, in particular, the number of candidates that will be forthcoming in their interest. There has been a suggestion in some quarters that the Liberals would be wise to restrict their candidates to seats where there is a reasonable chance of success, but the overwhelming opinion of the Party, which is voiced in the report of the Executive of the National Liberal Federation, takes the line that it is only by challenging the other two parties on equal terms that Liberals can hope to gain support. The electors are unlikely to be attracted by a Party which admits in advance that it only aspires to play the rôle of a minority. But it is one thing to adopt a policy and another to find a sufficient supply of good candidates. If the Party fails, as it failed in 1924, to go into the field with an adequate number of fighting units, the political situation and the alignment of parties is likely to undergo a radical change.

The Evacuation of the Rhineland.—The much-heralded conversation between Monsieur Poincaré and Dr Stresemann duly took place in Paris last Monday morning, a few hours before the Peace Pact was signed, and it may be presumed that the question of the date when the evacuation of the Rhineland is to be completed was not left out of the discussion. There is, however, no sign of progress in this important matter. The military occupation of the territory of one civilised nation by the armed forces of other civilised nations is an anomaly, and a dangerous anomaly. It is only defensible as part of the inevitable aftermath of a much worse business—to wit, the Great War. But, if that is admitted, it seems to follow that the unnecessary prolongation of the after-

math of a great evil cannot possibly do good—at any rate, not on a long view—to any of the parties concerned. The Germans expected that the occupation would be liquidated after the conclusion of the Pact of Locarno, and were disappointed then. When the Peace Pact rose above the horizon the expectation re-awoke, and now, apparently, it may be disappointed again. On the face of it this is "bad business" from the French point of view, for the Germans are now saying that, having waited ten years, they can steel themselves to wait five more; and then, in 1935, the full term for the occupation, even of the third zone, will have run out, and Germany will be quit of foreign troops by right of the Treaty of Versailles itself, and not by some special concession requiring a *quid pro quo*. If this really disposes of the question, it is not very serious, but there is undoubtedly an uneasy feeling abroad that the French may seek some reason to stay on after 1935 in order to make their going the occasion of a bargain. It is difficult to foresee what plausible pretext they could find for staying there, since they are surely precluded from arguing that Germany is not executing the treaty by the fact that they have acceded to and carried out the evacuation of the first zone of occupation already. It is not in the interests of a peaceful atmosphere that these uncertainties should be kept alive, and we therefore regret that so far there is no sign that the French Government is ready to take the present auspicious occasion for negotiating a settlement to France and Germany's mutual advantage. Herr Stresemann's welcome in Paris may, however, have done something to prepare the ground.

The Outlook for the Kuomintang.—The correspondence between the Chinese and Japanese Governments respecting the Chinese denunciation of the existing commercial treaty between the two countries—a controversy to which we referred in an article last week—is apparently now being conducted in more conciliatory form on both sides, and there seems better hope that an agreed settlement of a friendly nature may be arrived at. Meanwhile, Manchuria is being disturbed by an alarm of another kind: the invasion of the country by an armed band from Outer Mongolia, with the object of detaching from it a Mongolian district which was incorporated in Manchuria in 1917. The forces of the Manchurian Province of Heilungkiang are reported to be on the march against the raiders, and we may expect to hear that they have been expelled; but this incident is complicated by the fact that Outer Mongolia, from which they came, is a "Red" republic under the ascendancy of Moscow; there is therefore a possibility that the raid may be an indirect Russian move in the old game of Russo-Japanese rivalry in this north-eastern corner of Chinese territory. Here is another warning that China cannot, with impunity, neglect too long to restore an effective central government, but on this head the news is disappointing. Nothing constructive seems to have come out of the recent party conference at Nanking; and now Feng Yu-hsiang has suddenly departed northwards—to deal, so it is rumoured, with disaffection among his lieutenants in Honan—while in the south the commanders of the Kwangsi armies are rumoured to be making a motion to break away from the Nanking Government's authority. Clearly China's most pressing immediate need in the political sphere is to find the right balance between centralism and devolution to suit her present conditions. Clearly some organ of central government is required, for a dismembered China could not long retain political independence "under the strenuous conditions of the modern world." The repeated efforts to restore her unity, which have been made since the break-up of the Manchu Empire in 1911, show that this need is instinctively felt by the Chinese people. On the other hand, the degree of centralisation which is possible in a Japan or a France is evidently unsuitable for a country of China's vast area and population. Can her statesmen, perhaps, find guidance in the constitutions of the United States or Canada, or in the experiment in devolution which is being made in India? One of the secrets of the durability of the old Chinese Empire was that it had found the just balance between the two principles of centralisation and devolution, under the comparati

simple conditions of Chinese life before the intrusion of Western civilisation. It should not prove impossible to restore the equilibrium between the provinces and the capital under the conditions of to-day.

A Political Development in Japan.—Mr Tokonami's sudden secession last week from the Opposition party, writes a correspondent, has created a tremendous stir in political circles. In a statement published to explain his move, Mr Tokonami announced that he intends to form a new party, which will be in a balancing position and break the present deadlock resulting from the even strength of the two major parties. But he finds it rather difficult to secure many recruits under his banner even from his following in the Opposition camp, for his constancy is now in grave doubt, his party allegiance having been too often shifted. As a matter of fact, not a few who are known as his friends have decided not to join their leader, but to remain in the Opposition. Thus the prospects of the new party are doubtful. Competent observers agree that Mr Tokonami will secure not many more than 30 seats, which, however, are strong enough to hold the balance of power in the evenly divided House. But, seen as a whole, the situation will turn out to be decidedly favourable for the Government, for Mr. Tokonami and his friends are going to support the Government. The split in the Opposition camp means that a new lease of life is virtually given to the Government, which has been in a precarious position. As for the Government policy, it will remain almost unaffected, since Mr. Tokonami's stated views on finance and the Chinese question are not so much different from those of the Government as they are from those of the party he has deserted.

Mortality in 1927.—The vital statistics of England and Wales for the year 1927* are remarkable for the number of records they establish. The birth-rate of 16.6 is the lowest on record, surpassing that of 1918, which at 17.7 was the lowest previously recorded. Infant mortality remains near its minimum level at 70, the lowest it has ever attained being 69 in 1923. The only change in the distribution of causes is a marked drop in the number of deaths from enteric diseases, which is probably due to the cold wet summer of 1927. The death rate of 12.3 per thousand is the highest since 1922. Apart from the effects of influenza, the mortality from infectious diseases shows little change. There has been a further increase in the cancer death rate, which reached 1,376 per million population, the highest level on record. From the age of 45 in the case of men and 40 in the case of women, to about 65, cancer is the largest single cause of death, the deaths of one in four of all women between the ages of 50 and 60 who died otherwise than from old age or external causes being attributed to this disease. The ratio among men in the same age group is about one in five and a-quarter. This is by far the most arresting fact revealed by the report. From the age of 65 the cancer death rate becomes the same for both sexes, and gradually declines to a ratio of one in sixteen for persons over 80. Between the ages of 20 and 40 tuberculosis heads the list of fatal diseases, and is responsible for the deaths of one in 2.7 men, and one in 2.2 women between the age of 20 and 25. From 65 onwards cancer is supplanted by heart diseases, and these are the chief single cause of death of all men over 65. In the case of women over 80 they give place to bronchitis and pneumonia combined. Taking all ages and both sexes together, the ratios are, very approximately, heart diseases one in 5, bronchitis and pneumonia one in 7, cancer one in 11, tuberculosis one in 12, apoplexy one in 15, influenza one in 18. Add to this the fact that the year 1927 saw the highest suicide rate yet recorded in this country, and at first sight it might seem as though only a convinced Malthusian could see cause for satisfaction in these figures. Actually, however, it is arguable that the high figures recorded of young people who die of tuberculosis and of middle-aged people who die of cancer may be due partly to improved diag-

* "The Registrar-General's Statistical Review of England and Wales for the Year 1927." Tables. Part I. Medical. H.M. Stationery Office, 1928.

nosis of these diseases, and very largely to the conquest of other diseases which formerly proved fatal to persons of those ages. From this point of view the statistics are encouraging.

The Cable-Wireless Merger.—In the *Wall Street Journal* of August 15th there is an article on the Cable-Wireless Merger which ends with the following paragraph:—"When this combine is organised there will then be two huge communication systems in the world—the Bell System of the United States and this new British Communications Company." In these few lines there is contained a widely-prevalent misunderstanding. The "Bell" System of the United States is the American Telephone and Telegraph Company, which is a holding company of high repute, directing through the immense resources of its finance and its research the operations of a large number of operating telephone companies throughout the United States. It does not control all the operating companies, for some of them are under independent auspices, but the business of long-distance communication is conducted by the "Bell" companies and the independent companies in a friendly and co-ordinated way, and transfers of local companies from one side to the other, in order to facilitate co-ordinated working, have not been infrequent. Closely associated with the American Telephone and Telegraph Company is the Western Electric Company, which has been aptly described as the manufacturing aspect of the "Bell" system. Outside the United States the functions of the Western Electric Company have been separated and are directed by the International Telephone and Telegraph Corporation. It is this corporation, definitely separated from the "Bell" system, which has been prominent in the furtherance of a worldwide scheme of communications, and in this enterprise it has become merged with the All-Americas cable system, the Postal Telegraph inland system, and the Commercial Cable System, and it is this corporation which was mentioned in the House of Commons as a possible purchaser of British cables, if stern rivalry with the "Beam Wireless" had been allowed to continue. The American Telephone and Telegraph Company (the "Bell" system) is quite separate from this organisation, and, as the Postmaster-General recently explained, it operates no telegraphs whatever. The misunderstanding is quite widespread, and it is important that the distinction between, on the one hand, the internal telephone systems of the United States, and, on the other, the international enterprises which operate telegraphs and telephones in the wider world (though closely associated with one of the internal telegraph systems) should be made clear.

Empire Tobacco.—The chief impression left by the report of the Imperial Economic Committee upon this question is that it has to deal with a new and growing industry, helped by preferential duties, it is true, but none the less liable to make many of the usual mistakes. Thus the committee call attention to the need for better packing, for improvement in quality, and for maintaining a regular rate of supply at reasonable prices. The British manufacturer and wholesaler also comes in for a share of the criticism. Thus it was clearly inimical to Empire tobacco to fix, as was done at one time, the retailer's margin of profit at a lower figure for Empire than for foreign tobacco. It must be realised that the retailer's recommendation, or even his blunt statement that he has "sold out" of a certain brand, has much to do with moulding the public taste. As regard the committee's recommendations as to broad lines of policy, the question which is perhaps most open to doubt is the relative popularity of pipe and cigarette tobacco. As the committee realise, recent statistics of consumption are distorted by the growth of smoking by women; and it is needless to add that not one woman in a hundred smokes a pipe. The relevant point is the decrease between 1907 and 1924 of 14.4 million lbs in the consumption of pipe tobacco. This represents a change-over by men smokers from pipes to cigarettes, and the committee tacitly accepts this change

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as permanent. Now, fashion is a curious thing, as may be illustrated by memories of the war, when an officer in uniform was not allowed to smoke a pipe in public while all ranks were often not allowed to smoke cigarettes on a route march. To-day there are places and times when pipes are not permitted, but it does not follow that pipe-lovers will be bound by such rules to-morrow. All this may seem rather wide of the report, but it has a distinct bearing upon the committee's recommendation to Rhodesian growers to concentrate upon cigarette tobacco. The report itself states that 37 per cent. of Great Britain's pipe tobacco comes from the Empire, thus showing that a secure footing has been won in this branch of the trade. It would seem that the clear line of policy was for the Empire Marketing Board to institute a campaign in favour of the pipe against the cigarette with a view to overcoming some of the absurd policies that exist against the former.

The Trade of Canada.—We have received from the Dominion Bureau of Statistics at Ottawa a condensed preliminary report on the trade of Canada for the periods ended March 31, 1926-7-8. In the latest year the Dominion's external trade reached a record physical volume. For this increased imports were responsible, exports showing a slight decline. The total trade of Canada for the fiscal year ended March 31, 1928, was valued at \$2,359,412,000, compared with \$2,298,466,000 in 1927, and \$2,256,029,000 in 1926; the increase over 1927 amounting to \$60,946,000, or 2.2 per cent., and over 1926 to \$103,383,000, or 4.6 per cent. Imports in 1928 show a decided improvement over 1927 and 1926, while exports show a decline. Imports in 1928 amounted to \$1,108,956,000, compared with an importation in 1927 valued at \$1,030,893,000, and in 1926 at \$927,329,000; the increase in the imports over 1927 amounting to \$78,063,000, or 7.3 per cent., and over 1926 to \$181,627,000, or 19.6 per cent. Export trade (domestic and foreign combined) was valued at \$1,256,456,000 in 1928, at \$1,267,573,000 in 1927, and \$1,328,700,000 in 1926; the decrease in 1928 compared with 1927 amounting to \$17,117,000, or 1.4 per cent., and compared with 1926 to \$78,244,000, or 5.9 per cent. The domestic exports of Canada in 1928 totalled \$1,228,208,000, in 1927 \$1,252,158,000, and in 1926 \$1,315,356,000; the decrease in 1928 compared with 1927 amounting to \$23,950,000, or 1.9 per cent., and with 1926 to \$87,148,000, or 6.7 per cent. The following table shows imports and exports from 1921 to 1927, both in declared values and in terms of 1914 values:—

Fiscal Years.	Imports.		Exports (Canadian).	
	Declared Values.	Based on 1914 Average Values.	Declared Values.	Based on 1914 Average Values.
1914	\$ 619,194,000	\$ 619,194,000	\$ 431,589,000	\$ 431,589,000
1921	1,240,159,000	611,286,000	1,189,163,000	543,224,000
1922	747,804,000	505,128,000	740,241,000	497,546,000
1923	802,579,000	592,952,000	931,451,000	692,871,000
1924	893,367,000	637,893,000	1,045,351,000	801,452,000
1925	796,933,000	597,298,000	1,069,067,000	762,941,000
1926	927,329,000	705,044,000	1,315,356,000	897,216,000
1927	1,030,893,000	840,237,000	1,252,158,000	875,850,000

in their purchases of bills. In any event, a $\frac{1}{2}$ per cent. call rate and a 5 per cent. bank rate—with the member banks heavily in debt to the Reserve system—is an anomaly, and a few days saw the call rate readjusted back to around the 7 per cent. level. Under existing circumstances member banks probably feel that one and a-half per cent over the bank rate is necessary to tempt them to maintain their rediscounts, and it is reasonable to expect the call rate to fluctuate around $6\frac{1}{2}$ or 7 per cent. Now that the disturbance in the money market has settled down the net result is the discovery that the authorities were willing, after some months of unwillingness, to extend more credit in order to prevent a further rise in rates. On their showing of a week ago the Reserve authorities did not want a higher bill rate or a higher discount rate.

Since then speculative activity on the Stock Exchange has developed materially, and the turnover has increased to the 3,000,000 shares a day level. Last week brokers' loans in this city were still \$340,000,000 below the June peak; and the Federal Reserve statements revealed a decrease of \$32,000,000 in the volume of credit extended. Discounts for member banks were off \$59,000,000, practically all of this decrease occurring at the New York bank, a circumstance that recalls the reports recently current to the effect that the local Reserve bank had asked members to make a conscientious effort to reduce their indebtedness. The subsequent open-market operations were reflected in an increase of \$28,000,000 in bill holdings. An interesting feature of the statement was a decrease of \$15,000,000 in contingent liability on bills purchased by foreign correspondents. The question that now remains as to Federal Reserve policy is whether the disposition to purchase more bills in order to prevent a further rise in rates will continue in the face of what seems likely to be increased activity in the stock market. One might guess that the authorities will be inclined to be patient. In any event, their criterion will not be prices, but the volume of activity and the absorption of credit.

While on the face of things attention is being centred on the money market as affecting the price of shares, it is not necessary to dig far beneath the surface to find a foundation for the share market. Industry and trade are now more active than a year ago, and indications are that further gains will be made. Employment at the automobile factories is rising, there is growing firmness in nearly all lines of the steel industry, and, most important of all, the country is producing exceptionally large crops. Agriculture is still the backbone of this country's prosperity, and seldom if ever has there been a year when the leading crops were so uniformly good. The cotton crop will probably be smaller than the record pickings, but it will be larger than last year's, and above the average. Wheat, corn, oats, and hay, all are yielding much more than the average, and no considerable sections of the country have suffered from adverse crop growing conditions. Prices, to be sure, are low for some of the grain crops, but the farmer's income will be made good partly from the larger output and partly from the high prices for livestock.

Somewhat more interest in the political situation is being taken with the deliverance of their acceptance speeches by Mr Hoover and Mr Smith. While Mr Hoover's speech was generally acclaimed among the members of his own party, it contained nothing to excite the curiosity of business men. Mr Hoover succeeded in keeping free of definite commitments on the principal subjects at issue between the two parties. His remarks on the farm relief issue, for instance, leave the country far from clear as to just what sort of a measure he would favour, while his stand on the prohibition issue has met, on the one hand, with endorsement and condemnation from both the "wets" and the "drys" in his own party. Governor Smith, who is staking his chances of election principally on the prohibition issue, stressed the liquor question in his acceptance speech, and at least left no one in doubt as to where he stood.

Wall Street has been weaned away from the idea that a presidential year is bad for business. Any doubts on that score have been dissipated by the actual results of the year to date. It is doubtful if autumn and winter

trade will be affected one way or the other regardless of how the election goes, since it is realised that the two parties are close on important economic questions, and that our prosperity is too firmly rooted to be torn out. Much more interest is taken in the question of whether a long period of high interest rates will not eventually make itself felt in curtailment of building and industrial operations, owing to the discouragement of new capital issues.

FRANCE. — BUDGET OF 1929 — TAXATION CHANGES—THE REPARATION BONDS.

(FROM OUR CORRESPONDENT.)

PARIS, August 29.

THANKS to additional details furnished by the Finance Department, the mechanism of M. Poincaré's Budget proposals for 1929 has now been made clear. Although circumstances have rendered it impossible for the moment for him to reduce certain taxes which he some time ago frankly recognised as inequitable, the Finance Minister, when beginning the drafting of the new Finance Bill, laid down as a basic principle that the present burden of taxation must be regarded as a maximum. The manner in which M. Poincaré has succeeded in finding money for 2,784,000,000 of unavoidable extra expenditure, not only without creating new taxes, but while appreciably reducing the weight now imposed on the large class of taxpayers who are least able to stand the strain, is both interesting and ingenious. The bulk figures of the 1929 Budget proposals are as follows:—

	1928.	1929.	Inc. in 1929.
	f.	f.	f.
Estimated expenditure	42,445,000,000	45,225,000,000	+ 2,784,000,000
Estimated revenue ..	42,497,000,000	45,281,000,000	+ 2,784,000,000
Estimated surplus	56,000,000	56,000,000	..

The estimated expenditure for the coming year is made up as follows:—

Interest and redemption of the Public Debt	*22,157,060,175
Budgets of the various Governmental Departments ..	†21,050,219,516
Salaries of Senators, Deputies, Presidents of the Republic, Senate, Chamber, &c.....	78,600,000
Cost of collection of revenue	†1,331,644,410
Reimbursement of taxes and non-collectable assessments	607,753,600
	45,225,277,701

* Exclusive of short-term, floating and other debt now taken charge of by the Caisse d'Amortissement.

† Exclusive of Department of Posts, Telegraphs and Telephones now provided for under an independent and autonomous Budget.

‡ Exclusive of revenue from the tobacco monopoly, the whole operation of which, including cost of working, is vested in the Caisse d'Amortissement.

The outstanding feature of the Budget from the democratic point of view, is the proposal to raise the limit of abatement in regard to liability to income-tax from 7,000f to 10,000f, in so far as incomes derived from wages, salaries or non-commercial professions are concerned. Although the new abatement level of £80 in this country will still be far below that which has prevailed for many years in Great Britain, it is officially estimated that the concession will liberate no fewer than 977,000 wage-earners and 12,000 persons in non-commercial professions from liability to income-tax, with a loss to the national revenue of some 115,000,000f. Faithful to the same democratic principle in fiscal finance, M. Poincaré, in spite of his need to secure an extra 2,784,000,000f to meet next year's expenditure, has not only decided not to impose new taxes, but also not to increase the present burden of indirect taxation. Last year, in view of the economic revival, he budgeted for a revenue from indirect taxes and the still available State monopolies (matches and gunpowder) of 30,365,000,000f, or several hundred millions more than in 1927. For next year, owing to the increased Customs duties and other factors, he estimates a yield of 30,400,000,000f from these sources. This modest estimate of increase is characteristic of the Minister's cautiousness in matters of this kind—a caution which would seem to err on the side of excess when it is known that the past financial year resulted in a realised

surplus of some 2,000,000,000f (which was promptly swallowed up in supplementary expenditure), while this year has already shown, on the first seven months, an actual yield from these sources of 1,632½ millions over Budget estimates.

Notwithstanding the relief afforded to the smaller taxpayers, the Minister proposes to secure a further 1,200,000,000f (or practically one-half of the extra sum required) from direct taxation. This amount is to be obtained by ingenious revisions upwards of the "general" income-tax, which is the basis of the French income-tax, and which takes the form of a fixed percentage applied to all classes of incomes, the schedule rates being applied, according to category, in addition to the "general" rate. In 1924 the rate of the "general" tax was fixed at 60 per cent. of the assessable income. This was reduced under the 1927 Budget to 30 per cent. It is now proposed to increase it to 33.33 per cent. of the assessable income. By the double play of the increased abatement level and the increased "general" rate, all persons with incomes of less than 40,000f will either escape this tax entirely, or will be assessed at an appreciably lower sum. Incomes of 100,000f, on the contrary, will next year pay 6,000f instead of 5,436f as "general" income-tax, plus the scheduled rate; of 500,000f, 98,000f instead of 88,236f; and of 1,000,000f, 264,000f instead of the present 237,636f. Payers of income-tax on agricultural profits, who benefited by reduced rates to a total of 40,000,000f under the 1928 Budget, in consideration of the bad harvests of 1927, are to go back to the 1927 rates next year. The only concession made to incomes from industrial and commercial profits, apparently, is that the revenue authorities will in future be required to deduct losses incurred during the year, instead of being allowed, as they have insisted on doing in the past, to assess on the basis of profitable transactions only, regardless of losses in other directions. Further, if the proportion of losses exceeds that of profits, the outstanding balance of losses may be carried forward against a second and (if necessary) a third year's profits.

To meet the deficit remaining after these and other revisions upwards, M. Poincaré proposes to appropriate 1,000,000,000f of the 8,000,000,000f which the Dawes reparations plan is expected to furnish France with during the coming year. The Finance Minister states that he did not arrive at this decision without hesitation, as it might fairly be argued that receipts from the Dawes plan should be applied to paying off loans which this country was forced to take up owing to Germany's long delay in making reparation payments. As the Caisse d'Amortissement has now been created, however, and as many of the debts contracted for the reconstruction of the devastated regions figure both for interest and redemption charges in the Budget, it is logical that part of the money received under the Dawes plan should be utilised in compensation for these liabilities. Incidentally, in dealing with the factor of reparation payments in kind, M. Poincaré disclosed that, owing to the differences between German and French prices, and for other reasons, there is a loss to the French Government of from 7 per cent. to 7½ per cent. on goods received as payment in place of cash. After deducting from the amount received in cash the cost of the maintenance of the army of occupation, the payments made in cash to *sinistrés* and to the British and American Governments, and the cost of the Franco-Swiss monetary agreement and other similar items, and taking into account the loss just mentioned, a balance of 1,000,000,000f remains, which it is proposed to utilise to meet part of the Budget deficit.

The signature of the Pact against War has again brought to the front the question of whether the time has not yet come for the mobilisation of the mass of 5 per cent. German Reparation bonds, in accordance with the suggestions put forward at Thionville. The majority of people here, however, are opposed to any idea of this kind. Times have changed since Thionville. At that period the mobilisation of these bonds would have presented distinct and immediate advantages to Germany's creditors. It would have provided France, for instance, with the dollars she badly needed to support the franc. France to-day is so amply furnished with sound money that the suggestion was mooted recently that it might be wise

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to transform a portion of the Bank's stock of 30,000,000,000f worth of sound currency into French francs. Further, the issue of the bonds in New York to-day would be equivalent to sacrificing, at something in the neighbourhood of 80, scrip that may before long touch par. With her share of the German bonds still due to her, France will be able (as Professor Jean Lescure points out in *Le Capital*) to enter the pending international conference with something in her hands to support the only proposal for the mobilisation of these bonds which she is likely to entertain, namely, to exchange them in liquidation of her debt to the United States and Great Britain.

GERMANY.—REPARATIONS—RAILWAY RATES—CREDIT — INDUSTRY — JULY FOREIGN TRADE—BOURSE.

(FROM OUR CORRESPONDENT.)

BERLIN, August 28.

THE arrival of the fifth Reparation year, with its standard and maximum annuity, has provoked very little public comment. The general expectation seems to be that things will go on much as in the preceding Reparation years, and that owing to the continuing inflow of foreign capital in the shape of long-term loans and of credits, the question whether Reparations can be paid this year out of national savings, and by way of an export surplus, will not be tested. While there is much pessimism as to the ultimate effect of Reparations as too heavy a strain which must some day take critical forms, it is hard to find any German who will commit himself to the prediction that a breakdown will come in the new, or even in any particular later year. The reason for this last attitude seems to be unwillingness to admit that any of the contributory sources will fail, or that currency difficulties in the shape of the Transfer Question are likely. An admission of the likelihood of either of these difficulties from any authoritative quarter would deal a bad blow to Germany's international credit.

The Railways Corporation is at present the contributory source which is most in the public mind. It is true that owing to the guarantees of the Dawes Plan the payment of the railways' contribution of 660 million marks may be considered for a long time secured, even if rates and fares remain unchanged and if no reforms are put through. But it is equally true that the earning efficiency of the railways might ultimately be so much impaired that the contribution would be endangered and that the remedies provided in the Dawes Plan might have to be taken. The Federal Railways Court has entirely taken the view of the Railways Corporation and rejected the view of the Marx and Muller Cabinets, which were unwilling to sanction the increase in rates and fares. In May the corporation demanded Government sanction (which is necessary) for the raising of goods rates and passenger fares sufficiently to bring in an additional 250 million marks a year, of which 195 million marks was to come from rates and 55 million marks from fares. Industry was strongly on the side of the Cabinet, and it remains so, although gross receipts in the first half of the present year—a year of much-increased expenditure—have exceeded those of the same period of 1927 by only 102 million marks. The Railways Corporation estimated that the rise in its expenditure due to higher wages and to the increase of the contribution in the Reparations year 1927-28 from 550 to 660 million marks would be 650 million marks a year. The Railways Court has now ruled for an increase of rates and fares sufficient to bring in the additional 250 million marks, but has placed 200 million marks of the burden upon rates and 50 million marks on fares. Operation expenditure this year will be about 4,417 million marks, so that there will be an operation surplus of 693 million marks, but after fulfilment of all legal obligations the ultimate result, if proper provision is made for writing off, will be a deficit of 489 million marks.

The average increase in rates under the Court's decision will be about 11 per cent. The Court expressed the view that railway deficits would have an even worse effect upon trade than the increase in rates can have. The Ruhr coal industry declares that the rates rise will reduce its capacity to compete with Great Britain and Holland.

Money last week was very easy, the day loan rate on the 23rd and 24th being down to 4-6 per cent., since when, in preparation for the monthly settlements, it has been rising. To-day's day rate was 5½-7½ per cent., month loans 8-9 per cent., the private discount rate being unchanged at 6½. The Reichsbank's return for the third week of August shows the exceptionally small decline of 34 million marks in discounts. Advances declined by 34½ million marks, and circulation by 165 million marks, and deposits increased by 91 million marks. The small decline in discounts indicates that preparations for the month-end began earlier than is usual. In spite of its small decline in the third week, the discount portfolio at 1,972 million marks has fallen below the 2 milliard limit for the first time since June 23rd. Circulation and deposits are at practically the same levels as on the same date of July. The commercial banks' balance-sheets for July 31st show marked changes as compared with those of June 30th. Deposits have resumed their increase, being (in seven leading banks) 8,783 million marks, as against 8,692 million marks on June 30th. The increase wholly falls to deposits between seven days and three months, and it apparently represents European funds which replaced American withdrawals. On the active side, loans on current account increased from 4,455 to 4,650 million marks, but discounts declined from 2,084 to 1,965 million marks. The liquidity ratio decreased. Liquid assets of the six chief Berlin banks fell during the month from 4,854 to 4,749 million marks, and liabilities increased from 8,586 to 8,630 million marks.

The wholesale prices index number for August 22nd is 141.5, as against 141.7 on the 15th. Trade in most branches is still declining, though very slowly.

Coal production in July was 12,482,788 metric tons, as against 11,833,441 tons in June. In the seven months January-July coal production was 88,400,000 tons, against 88,700,000 tons in the same months of 1927; lignite production 94,200,000 tons, against 84,900,000 tons, and coke production 20,000,000 tons, against 18,200,000 tons.

Output of the rolling mills in July was 1,026,333 metric tons, against 1,052,905 tons in July, 1927; output in the first seven months 7,294,699 tons, against 7,344,936 tons. Iron export prices are very firm. The Stahlwerksverband's export price for bars has been advanced to £6 a ton. The Railways Corporation has given the Verband an order for 550,000 tons of steel rails, which is to cover all demand up to August, 1929. The returns of the finishing manufacturers made for the purpose of getting the Ingot Steel Syndicate's price-rebates indicate that very considerable foreign orders for finished iron and steel goods are coming in. In connection with the recent formation of an American steel export association, the trade Press continues to discuss the attitude of Great Britain towards the International Steel Cartel, and to proclaim that she has no choice between joining the Cartel and working with America, whose coming inundation of the European steel market is painted in an alarming, but not quite convincing light. It seems certain, however, that the supposed American threat will accelerate the formation of selling syndicates for the separate products controlled by the International Cartel.

The July foreign trade return shows a big increase in the import surplus, which is due mainly to heavy food imports. Comparative figures are:—

Marks (000's omitted).			
IMPORTS.			
	June.	July.	Jan.-July.
Livestock	10,952	8,852	80,654
Foodstuffs	328,947	385,012	2,459,807
Raw and half-manufactured materials	579,723	602,913	4,356,437
Manufactured articles..	188,062	185,870	1,488,017
Wares only	1,108,384	1,182,647	8,384,915
Gold and silver	48,462	119,129	376,230
Totals	1,156,846	1,301,776	8,761,145
EXPORTS.			
Livestock	1,577	1,637	10,270
Foodstuffs	41,770	39,830	308,231
Raw and half-manufactured materials	164,541	183,445	1,316,522
Manufactured articles..	685,053	689,247	4,816,641
Wares only	892,951	914,159	6,451,664
Gold and silver	1,716	2,621	14,880
Totals	894,667	916,780	6,466,544

The Bourse will be again open on Saturdays from September 1st onwards. Stocks last week moved irregularly, some groups, in particular artificial silk and potash, going upwards, while others, including motor-cars, declined. The *Frankfurter Zeitung's* index for the 24th is 141.36, the same as for the 17th. On the first day of this week the market was active under the leadership of electricals and potash, the latter rising considerably. Bull speculators, being uncertain as to the effect of the Railways Court's decision, showed reserve. To-day's Bourse was dull and in general weak, but interest in potash securities and certain other groups was shown, and the close was somewhat firmer.

AUSTRIA.—LOCAL GOVERNMENT FINANCE—INDUSTRIAL IMPROVEMENT—CAPITAL SHORTAGE—BOURSE—FOREIGN TRADE—WEATHER AND CROPS.

(FROM OUR CORRESPONDENT.)

VIENNA, August 18.

THE discussion between the Federal Government and the local governments concerning the readjustment of the shares allocated to the various local governments from the taxes and other dues collected by the Minister of Finance will soon begin. In any case, it is certain that the local governments and also the Central Government will insist that Vienna's share be curtailed. At present the other local governments are put at a disadvantage through the circumstance that the factories are in their territories, while the head offices of the concerns are in Vienna and that municipality on that account claims a major share of the taxes. Out of political considerations, too, efforts are being made to prevent further growth of the big holdings of cash in the hands of social-democratic Vienna. The Social-Democrats assert that the State holdings of money are too big, and the taxes should,

therefore, be reduced, while a similar reproach is being levelled against Vienna. However, the monetary reserves of the Federal Government are being resorted to in large measure on account of the delay in putting through the investment loan. During the first five months expenditure under the present budget amounted to 422 million schillings, investments to 70 million schillings, while revenue, after deduction of the shares due to the local governments, namely 123 millions, figured at 487.7 million schillings. Without taking the investments into consideration, there was, therefore, a surplus of 65.7 millions, but, taking the investments into account, there was a deficit of 7.02 million schillings, which deficit was covered out of monetary reserves.

Reports from the industries are rather more favourable. During the month of June the iron industry was working at almost 96 per cent. of its capacity, and domestic and export business was fair. It is a noteworthy fact that the consumption of coal in Austria shows an excess of 300,000 tons over the corresponding period of last year, and about one-half of this represents greater use of Austrian coal. Technical improvements in the drying of the product of the home coalfields and more intense propaganda for this product have enhanced the demand for Austrian coal. On the other hand, cotton spinners are complaining of diminution in exports to Germany, due to keener competition from France. The mills are, therefore, obliged to work for stock. Conditions in cotton weaving are better. Owing to large orders placed by the federal railways the wagon factories are still busy; the locomotive factories are also to receive considerable orders in the near future. In the lumber industry a slight recovery is beginning to manifest itself after the long depression. The greatest importance, however, attaches to the consistently large foreign tourist traffic. Without taking into consideration the mass influx in connection with the Singing Festival, there have been from 70,000 to 80,000 more foreign visitors to Vienna this year than last. This reflects itself in improved business for retailers, who report that foreign visitors have much more purchasing power than the Austrians. To these circumstances is also due the low level of unemployment. At the end of July there were in the whole of Austria only 115,202 persons in receipt of the dole, the lowest figure which has been recorded since the autumn of 1924. It is a remarkable fact that unemployment has not increased in spite of the rationalisation which has been adopted in various factories and in spite of the acquisition of more economic machines. For instance, in consequence of busier times in the Vienna metal industry during the past year about 5,000 men have been taken on again. It must be said that the profit being made is infinitesimal, especially as all the medium-size and small works are operating with bank credit, on which they have to pay high interest. The accumulation of fresh capital is a lengthy job, more especially as prospects of tax reduction repeatedly held out by the Federal Government and local governments do not materialise. A number of industries have approached their banks with a view to eliminating their commitments to the banks by means of the issue of new shares or obligations of their own. But in the present state of the Vienna share market any attempt of that kind would be fruitless, and investments must therefore be paid for out of advances from the banks, whereas they should really be paid for by fresh emissions of shares. It is true that the share market shows slight improvement in regard to individual stocks, but the improvement is only slight. Nevertheless, it is clear that individual banks entertain a desire to bring animation into the stock market. Constantly increasing activity for Vienna account is observable on the Berlin Exchange. The money rate on the Exchange is between 7½ and 7½ per cent.

From the direction which is being taken by Austrian foreign trade it is observable that business with Germany and with oversea countries is being fostered more and more. Between the years 1923 and 1928 export trade with Poland and Yugoslavia, which was formerly regarded as a vital necessity to Austrian merchants, has fallen off very considerably. During this same period exports to Hungary and to Italy have remained almost constant. Sales to Czechoslovakia and Switzerland have not increased

materially, whereas exports to Germany have almost doubled, and trade to oversea countries has increased sixfold. However, exports to oversea countries are still very modest, and in the first six months of the present year amounted to about 130 million schillings, which total was only about the same as that of exports to Czechoslovakia. Export trade with Russia still remains slight, and apart from the contracts which certain automobile factories have made, the prevailing attitude of reserve has changed but little, in spite of the credit guarantees offered by the Municipality of Vienna.

The hot summer this year is causing great worry to farmers. They were satisfied with the harvest itself, for the wheat harvest was 3.13 million metric centners greater than last year's. The barley harvest, with a total of 2.75 million metric centners, showed an increase of nearly 0.7 million centners. On the other hand, the winter rye harvest, totalling 4.77, was lower than last year, when it figured at 4.9 million metric centners. But the whole of agriculture is complaining about the threatening shortage of fodder in consequence of the heat, which is already necessitating reduction of livestock. It is feared that in autumn and winter the depreciation of stocks of cattle will continue. This is all the more regrettable, as Austrian agriculture was beginning, after great sacrifices, to pick up again, and because, for its sake, industry was obliged to make important concessions in the recent trade treaty negotiations with Hungary and Yugoslavia, so that agriculture might gain the increases in Custom duty on which it set so much store.

JUGOSLAVIA.—POLITICS—HARVEST—FOREIGN TRADE—STABILISATION.

(FROM OUR CORRESPONDENT.)

BELGRADE, August 8.

THE political tension between Zagreb and Belgrade consequent upon the shooting in Parliament continues unabated, and is unlikely to lessen after the death of Raditch; yet it is difficult to write with precision while events are still in development. The Croats, galled by the necessity of playing a part inferior to the Serbs in the new State, have found in the tragic events a valid enough excuse to take up an irreconcilable attitude towards Belgrade and to set up an independent Parliament. While one may have sympathy for their moral indignation, the political wisdom of their attitude is open to question. Internally they find the Slovenes and Bosnian Mohammedans ranged along with the Serbs under a Slovene Premier, while paradoxically one-third of the "Croatian" Deputies at Zagreb and the present Croatian leader himself, Pribichevitch, are Serb. Externally they weaken Yugoslavia's position by denouncing the Pact of Friendship with Italy. Unfortunately for both their own cause and that of political peace in Yugoslavia, the Croats do not seem to possess at the moment a single statesman-like leader whose political wisdom and restraint might secure them the amount of autonomy they require. On the contrary, there is more danger that through lack of statesmanship they may fritter away the sympathies gained and blur the real issue in a tangle of personal, political, and emotional recrimination. Summed up, the present situation, while not one of grave anxiety, will have serious repercussions for some time to come, and is most likely to react unfavourably on economic reconstruction.

Under these circumstances a record wheat harvest has come to the country as a real boon. This year again has marked progress in the area of cultivation and in the methods employed. Thus, for example, the use of Chilean saltpetre for manure has increased from 16,400 tons in 1927 to 21,300 tons in 1928. The yield per hectare has been much larger than in any post-war year, and has in some districts attained even 18 to 20 metric cwts, while the average yield appears to be between 12 and 13 cwts, against the highest average hitherto of 11. Provisional estimates place the total at 30 million metric cwts, of which as much as 100,000 trucks could be set aside for export. But whether this quantity can be achieved will depend largely on the maize harvest, which has suffered a great deal through the drought, although recent rains

ave improved the situation. In any case, a harvest better than last year's is to be expected. Plums have also given a good yield, and so has opium, the poppy harvest having given 180,000 kgs, against last year's 100,000 kgs. The quality is high grade, and can therefore be compared with the best of Anatolia. The price is, however, owing to large-scale speculation of the Salonica middlemen, and the National Bank has therefore granted a credit of 30 million dinars to enable the growers to export directly.

The good harvest should do much towards freeing the peasant from his heavy indebtedness. This is the more important, as a moratorium for peasant debts has been definitely refused, and the Government, in spite of its promises, is not likely to pay great attention to them in view of the political problems before it. The grant of 100 million dinars by the National Bank for peasant credits through co-operatives in the form of nine-month loans is, however, a step of first importance.

An improvement in trade in the autumn is to be expected, and already there is a good deal of inquiry for agricultural machinery, though relatively little is purchased by peasants. Import trade continues undiminished, and its actual value this year, 3,232 million dinars, is larger than last year's for five months, 2,839 million. This increase is chiefly due to the import of railway material and machinery, although a small fall in the import of textiles in consequence of the rise of a national industry is noticeable. The industry is still, however, in its infancy, numbering 30 enterprises with 110,000 spindles and 7,000 looms, and occupying 25,000 workmen. Exports are less favourable, and amount for the first half-year to 2,047,858 tons, worth 2,687 million dinars, against 2,134,944 tons, worth 3,006 million dinars last year.

The position of the £50,000,000 loan negotiated in London is still obscure. The official intimations are sparse and lacking definiteness, and there are discrepancies in the various statements. This has started an endless discussion in all the economic papers in the country whether the loan is concluded and how far the negotiations can have proceeded. The proposed law for the stabilisation of the dinar has, however, been framed by the National Bank, and agrees in substance with the information given in my letter of April 19th.

AUSTRALIA. — BUDGET DEFICIT — REVENUE PLANS — INDUSTRIAL CONCILIATION — UNEMPLOYMENT — WOOL SEASON.

(FROM OUR CORRESPONDENT.)

MELBOURNE, July 12.

ALTHOUGH the Commonwealth public accounts for the financial year ended June 30th are not yet published, it is known that the Customs revenue is about three millions below the Budget estimate, which means a substantial deficit on the year after allowing for probable variation under other headings of revenue and expenditure. One method of raising additional revenue which is now being seriously examined is to extend the scope of the Commonwealth income-tax to income from beyond Australia in addition to the present arrangement of taxing only Australian incomes. Two of the principal forms of outside income to which the proposal would apply are the profits from the mining in the East, in which Australian companies are interested, and the earnings of Australian money employed in London. The question of the additional revenue that would be obtained from Australian taxpayers is an uncertain one, especially if provision were made for an allowance in respect of tax paid in the East or in England in order to avoid double taxation. The proposal is being opposed by bodies representative of taxpayers.

The Commonwealth Parliament has passed an amending Conciliation and Arbitration Act containing a number of amendments to the existing law, which has failed to secure industrial peace and freedom from strikes. One amendment is intended to facilitate the use of Conciliation Committees instead of leaving practically the whole

work of deciding disputes to the judge in the Arbitration Court. In making awards it is provided that the Court "shall take into consideration the probable economic effect of the agreement and award in relation to the community in general and the probable economic effect thereof upon the industry or industries concerned." This provision will probably turn out of considerable importance, as it forms a contrast to what has been done in recent years under circumstances which have facilitated passing on increased costs to the public after a fashion that cannot be relied upon to continue.

Another provision is that if the Court finds that a strike or lock-out exists in an industry, then anything in the nature of a lock-out or strike respectively shall not be a breach of the Act or of any award or order of the Court. One of the most important amendments is that which enables not less than ten members of a trade union to demand a secret ballot on any resolution proposed for adoption, the ballot to be held either by the trade union organisation or by an officer of the Court, provision being made for preventing the disclosure of the names of the ten members in cases where they apply to the judge. The secret ballot was strongly opposed by the Labour Party when the Bill was before Parliament, but the history of many disputes in recent years gives ground for the belief that a ballot would have shown that members of trade unions would not have been in accord with the aggressive policy frequently followed.

Unemployment has reached larger proportions than usual in Melbourne this winter, and business generally has been somewhat sluggish as the result principally of the reduction in the last wheat harvest. The outlook for the new season, however, is encouraging, both as regards wheat, a larger area being sown in Australia, and as regards butter. The quantity of Australian wool for the 1928-29 season is estimated at 2,462,000 bales, against 2,446,780 bales received into store during 1927-28 and 2,508,374 bales during 1926-27. The average price realised for greasy wool in Australia during 1927-28, according to the statement issued by the National Council of Wool-Selling Brokers, is £25 os 4d per bale, or 19.50d per lb.

UNION OF SOUTH AFRICA. — MINERAL OUTPUT — GOLD-MINING AND LABOUR — RHODESIAN ELECTIONS — LABOUR PARTY QUARREL — COAL MINES AND TRUCKS — NATIVE PROBLEMS.

(FROM OUR CORRESPONDENT.)

JOHANNESBURG, August 1.

THE Government Mining Engineer has just published the figures for mineral output in the Union during the first six months of 1928. No figures are given in respect of diamond production, but the total for all other minerals is £360,000 higher than for the corresponding period last year. Most of this increase is in the gold production. According to the Chamber of Mines Monthly Analysis of Gold Production, the output for the first six months of 1928 was 5,111,826 fine ounces, of which 4,892,205 fine ounces came from the Reef. The Reef dividends for the half-year were £3,894,624, which is about £35,000 less than the June distribution last year. Shareholders might have hoped for something better, as conditions are settled nowadays, and the labour supply has been good—certainly it is no better for some time than it was in April. At the end of June, there were 21,444 Europeans employed on Reef mines, and 197,269 natives.

The details of the new Mozambique Convention are to be discussed in Lourenço Marques during August. It is at present quite uncertain how the new arrangements will finally affect recruiting, but it is understood that both the Government and the mining industry have had in mind the sources of native labour under consideration. From claims in the Portuguese Press it would appear that there is a tendency in Mozambique to over-estimate the requirements of the colony. The Union is in a favourable position in regard to the revenue derived from Mozambique territory from pass-fees on emigrants. Taxes should

Doubtless this consideration would be less important to the Portuguese if their industries in the colony had any real existence, instead of consisting almost entirely of plants.

Rhodesia is about to engage in its second general election on September 19th. The "Progressive," or anti-Government, Party is stronger in numbers than at first, and is endeavouring to develop a programme. So far the main plank seems to be a proposal to test in the Courts the ownership of mineral rights—generally agreed to belong to the Chartered Company and claimed by the Progressives as Government property. The Government have consulted the Attorney-General, and the question seems to be not whether the Chartered Company's title was tainted *ab initio*, but whether or not it has since been ratified by actions of the Imperial Government. The Rhodesian Government is advised that the latter is the case. As regards the election, the Government seems to be in no danger. There is a possibility of one or two Labour successes, but lightning railway strikes, of purely local consequence as such, have alienated a good deal of potential sympathy.

The unifying squabble in the South African Labour Party continues. The present position is that the protagonists are busy expelling each other from the party and talking at large about legal action. The importance of the affair to the country lies rather in the probable reaction on the general political situation. No one can really expect General Hertzog or General Smuts to take Labour into their calculations for the immediate future. At the moment the position is that no Labour seat is even moderately safe, because there may be two candidates commanding almost equal support. The election must be not later than about one year from now—it may be sooner. It is yet possible for the various strained situations to be composed before it takes place—Mr Barlow's heated slang phrase some years ago ("We want these jobs for our pals") may well serve as a formula.

There is an astounding situation on the coal mines just now. Long and irritating experience has accustomed colliery officials to shortage of trucks, usually particularly acute at this time of year. Collieries produce coal for a pit-head price of about 5s per ton, of which profit is rarely as much as 2s, and is frequently negligible except at periods of very brisk trade. During the month of June the truck shortage was so severe that production was down by as much as 30 per cent.—at many collieries not four days' work per week could be carried out. The explanation given by the railway administration is that there is an exceptional demand for engines and for rolling stock owing to heavy passenger traffic and the movement of the mealie crop, but both these phenomena have occurred every winter for very many years. The farmer apparently receives all the trucks he may require—the collier has to be satisfied with sufficient to carry coal for the barest local requirements. Railway rates and conditions are a chronic irritation to the industrialist and the townsman of the Union.

Mr W. G. Ballinger, the Scottish trade unionist adviser to the Native Industrial and Commercial Workers' Union, has arrived, and has been admitted to the Union of South Africa on a special permit for three months. At his official welcome there were several Europeans present, including Mr Howard Pim, chairman of the Joint Council of Europeans and Natives, and Mr J. D. Rheinallt Jones, a member of that body. Both these gentlemen are prominent citizens well known for their interest in the native and in many other connections. Mr Ballinger's views and proposals are so far reasonable enough, and are largely concerned with education and with the improvement of the standard of life. It appears that Mr Ballinger's expenses are being met by friends of the movement in England, and are to be refunded by the I.C.U. later on if they find his assistance useful to them. To come to this country as a stranger and intervene in such a purely local matter is a tremendous but not impossible task. No one could be more ignorant of the fundamentals—and of all other aspects—of the problem than many South Africans who boast of their experience. Even General Hertzog speaks of "reversing" the Cape Colony native policy of the past. Has he never heard of living Canute?

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ARGENTINA. — RAILWAY RATES — BUSINESS CONDITIONS — MEAT TRADE AGREEMENT — GRAIN AND WOOL SHIPMENTS.

(FROM OUR CORRESPONDENT.)

BUENOS AIRES, July 23.

SOMEWHAT unexpectedly the matter of the railway tariffs has been complicated by the note which the Central Argentine have addressed to the Minister of Public Works, accepting a reduction of tariffs and stating that they are at present drawing up a new schedule based in principle on the rates ruling in 1922. Coming, as it does, on the heels of the Southern Railway's request for a reconsideration of the Decree calling upon them to reduce their tariffs, one is led to the conclusion that in all likelihood most of the lines will voluntarily reduce their rates for freight and passage, and that the Southern Railway will forgo their expressed intention of seeking the judgment of the courts. Their request for reconsideration was refused, and the Attorney-General gave it as his opinion, when consulted by the Argentine Government, that the decree insisting upon reductions was legally valid and could not be disputed. If, however, the affair does go before the courts it will mean much work for the lawyers, as will the case of the Union Telephone Company, who have been called upon, also by a Government decree, to cease from collecting a supercharge of \$5 per line per annum, originally authorised in 1922. The opinion of the leading Argentine juriconsults is in this instance unanimously opposed to the Government view, and the company holds that, according to the decree of 1922, the authorities may insist on a proportionate reduction of this excess charge, but have no right to call for its total suppression without showing that the net profits exceed the 8 per cent. previously authorised. The plain truth of the matter is that foreign capital employed in public utilities in Argentina earns at the present time but a moderate recompense when its results are viewed in comparison with what is earned elsewhere. But, owing to the intense nationalism now general in Argentina, this point of view tends to be overlooked alike by the authorities and by the general public.

Labour trouble in Rosario continues, the trade and export movement of the port being seriously curtailed. All-round increases of wages are demanded, and have in some cases been conceded, and there is a likelihood that similar demands will be made elsewhere. Increased pay will undoubtedly be asked for by the hands in most industrial undertakings, while the collective demand of the railwaymen's union, presented a fortnight ago, will be pressed all the more strongly in view of the concessions made in other trades. General commercial movement is quiet, with money easy and exchange moving against Argentina. Banks' drawing-rate cable stands at 47 9/32d and 104.35 for London and New York respectively. Rates have been lower, touching 47 1/4d, which is theoretically the point at which gold exports should begin. And if in the course of the next month rates drop below this last-named figure it is possible that Argentina will be shipping gold to London. For the obligations of importers and of the railway companies are heavy, and the offering of export bills decidedly light. Supplies of ready money are plentiful, and rates in consequence down to 5 1/2 per cent. for first-class discounts. The City of Buenos Aires recently called for

tenders for some \$10,000,000 odd paper in 6 per cent. municipal bonds, with 1 per cent. cumulative amortisation, and a local bank offered to take them up at 96, which is just a shade above the rate of 95.0325 offered by a group of American bankers, the local offer being accepted.

Interest attaches to the official announcement that a working agreement has been reached as between the Compañía Sansinena and the Smithfield and Argentine Meat Company. Outwardly both concerns will retain their autonomy, but the Smithfield will in practice direct exploitation and sell for both companies in the London market. Under this arrangement important economies can be effected, to the mutual benefit of both concerns. The Armour interests have also completed a five-years' working agreement with the River Plate British and Continental Meat Company, whose plants and commercial direction will be under the charge of the Armour Company, who guarantee the payment of £150,000 annually. This will suffice to pay interest and amortisation on the 7 per cent. debentures and also 8 per cent. per annum on the preference shares. Half the profits earned, over and above the amount guaranteed, will go to the Armour Company, but a clause is inserted providing that the agreement becomes null and void in the event of the existing freight space conference now in force coming to an end before the termination of the five years.

Latest official estimates of exportable stocks of wheat and linseed, as on July 12th, give 1,024,732 tons of wheat and 731,941 tons of linseed available for shipment. Export totals for the past fortnight have declined somewhat, owing to conditions in Rosario and up-river ports, and although there are rumours of possible heavy purchases for Russia, prices are weaker at \$10.95 paper per 100 kilos for spot wheat and \$11.05 for August shipment. Maize and linseed show little change at \$8.50 and \$15.55 respectively. Freight, too, remain at the same level as that recorded a fortnight ago, being anything from 21s 6d to 22s 6d San Lorenzo/U.K./Continent. Shipments to date are as follows:—Wheat, 3,880,000 tons; maize, 2,974,000 tons; linseed, 1,168,500 tons; and oats, 288,000 tons.

Letters to the Editor.

MONETARY POLICY AND PROSPERITY.

TO THE EDITOR OF THE ECONOMIST.

SIR,—In commenting on a recent article of mine in the *Evening Standard* you allege that I "have failed to draw the distinction between wages-costs and wage-rates." This is not correct—indeed, it is the opposite of the truth. The argument of the article was as follows:—

- (1) That the decision to appreciate the currency committed us to a reduction of production costs in terms of money;
- (2) That this is a very difficult thing to accomplish, and there was no plan beforehand as to how to do it;
- (3) That there are three ways—(i.) to reduce wage rates, (ii.) to reduce costs by rationalisation often involving a contraction of employment, (iii.) to reduce costs by an outburst of intensive activity based on full-time working;
- (4) That (i.) was politically and socially impracticable in an adequate degree, that (ii.) was proceeding in the best-led industries and was in many ways desirable, but tended, at first, to aggravate unemployment, and that, therefore, (iii.) deserves a trial.

Your article was based apparently on the belief that wages-costs have been already reduced—over the average of agriculture, transport, public utilities and industry—proportionately to the increase in the value of money. Why you believe this, nobody knows.—Yours, etc.,
J. M. KEYNES.

August 27th, 1928.

[We do not question that Mr Keynes fully appreciates the vital distinction between wages-costs and wage-rates. But we fear that he is open to the charge of using phrases that confuse the issue. "Labour-costs in Great Britain," he writes, "measured by the wage index of eleven leading industries, are exactly what they were three years ago, or four years ago. . . . But many British industries have not enough margin of profit to employ men at the same wages as before and to sell their products 5 to 10 per cent. cheaper. We in Great Britain have deflated our selling prices . . . but

we have not deflated our costs." It is true that the reader later discovers by implication that labour costs cannot be measured by wages, which, of course, tell us nothing whatever about costs unless we know whether production per head is increasing or not. But the first and third sentences undoubtedly suggest that wages and costs should go together; while the second would certainly suggest to the general reader that lower prices must mean either lower wage-rates or lower profits—a conclusion which is clearly contrary to the experience of any progressive industry, such as the motor trade. We do not, of course, suggest that wage-costs have fallen universally in proportion to prices; but it is at least as false to assume that they have not fallen at all. Mr Keynes no doubt bases his categorical conclusion as to costs on quite other evidence, and in part he is right. Our complaint is that it is almost common form in this country to assume that things are radically wrong unless the wage and price indices coincide. You cannot prove that our monetary policy ought to be changed merely by demonstrating that the wage and price curves have not moved together. Fortunately, in modern times they never have.—Ed. *Econ.*]

SIR,—Forgive me if I respond to the stimulation of your postscript! Mr. Keynes can take care of himself. I am only concerned with my own point of view.

It is true in a sense that "wages-costs" matter more than "wages-rates." In fact, if the producer were to live in a little world all to himself, "wages-costs" would reign supreme. But State policy cannot take so narrow a view. It may pay an employer to dismiss 20 men out of a 100, if he finds that a better financial result can be obtained from the 80 than the 100. But the 20 dismissed men do not dissolve into the air. The State has to reckon with them, and to provide for some elementary form of maintenance, which additional cost to some extent reacts upon the producer in one form or another, as well as upon the general finance of the country.

This is a theoretical question that could be argued out at length across the debating table, but I submit that this is no time for the debating table. We are face to face with some stern facts, and the knowledge of these facts formed the basis of my letter of August 20th.

The first fact is that the Unemployment Fund Account is overdrawn by £25,670,000. It is manifest that this overdraft cannot be substantially increased, and should be reduced as soon as possible to more reasonable proportions.

The second fact is that men are being thrown out of work, not only in the staple trades of coal mining and cotton, but in every important trade throughout the country. This is actually happening at the present moment. (See p. 299, *Labour Gazette*.)

The third fact is that after twelve months of the most rigid economy, in which substantial reductions have been made in wages-costs, stores and timber, and other costs, the great coal-mining industry, owing to a continuous reduction of selling price, has not paid one penny upon capital, but has incurred a loss throughout the year. This debit balance, quarter after quarter, has to come from somewhere. Debit balances cannot be produced out of conjurors' hats.

Our chance of national recovery seems to be to correlate very closely wages-rates (not wages-costs) with the cost of living figures. This inflicts no hardship upon anyone. To encourage wage-inflation, to follow in the wake of the present industrial-inflation, is in my humble judgment destined to injure the very men whom ostensibly it appears to benefit. A decision on this line of policy seems all the more urgent because of the imminent wheat position. Wheat to-day is 10s 4d per cwt., as against 12s 6d in 1927. It is likely to fall still lower—and we may have a winter of abnormally cheap bread prices. Leaving aside as a separate consideration the troubles of the British agricultural position, are we going to use this advantage to benefit our industrial export trade by cultivating lower costs of production? Or are we going to maintain the policy indicated generally by the diagrams in the *Labour Gazette*—and specifically by a recent utterance of the Minister of Pensions? I cannot conceive that so important a declaration of policy would have been made by the Minister without the previous authority of the Cabinet.

What about capital? It would be manifestly improper to correlate wages-rates strictly with cost of living, while industrial stocks are increasing in nominal value. Therefore, the time seems to be approaching when we shall have to prepare ourselves for some form of charge upon dividends. This would seem to be only fair and right.

A national industrial recovery is as much the business of the whole nation as was the war, and it is only by the cheerful and harmonious co-operation of the whole nation upon a just and considerate basis that we shall succeed in turning the corner, and embarking upon a new era of national prosperity.—Very truly yours,
OWEN FLEMING.
August 27, 1928.

[The rationalisation of industry and the reduction of wages costs is in no sense a "theoretical" question or a matter of interest merely to Robinson Crusoe. We agree with Mr Fleming that in many cases wages should follow the cost of living, though whether the course of wheat prices this year will justify a general wage reduction it is premature to say. But the relation that should obtain with greatest advantage to the community between prices and wages is one which cannot be settled merely by a rule of thumb. Prices are one of the factors that should govern wage changes—but only one.—Ed., *Econ.*]

RAILWAYS AND THE ROADS.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Travelling as I do throughout the country at all seasons I have been struck more than ever this summer by the extent to which the motor-car, the motor-bus and the motor-lorry have been filching traffic from the railways. Wherever I have gone I have been told the same story—the greater convenience of the car has made it the normal means of transport for all but long journeys and heavy loads.

To meet this competition the railways have just obtained from Parliament power to operate their own road services. Their shareholders—and the public—are waiting to hear what steps they propose to take to deal with the situation.

One thing is quite certain. In rural areas the railways will never be able to recover the rail traffic they have lost. If they are wise they will recognise this, and concentrate on supplying the needs of the agricultural areas by a thoroughly efficient road service. That way lies success; the other lies inevitable failure.

So far the railway companies have given no indication that they are aware of the extent to which branch lines are being subsidised by their main line traffic. If their directors would make a few inquiries into the traffic returns in a number of districts I could suggest, they would at once, I feel sure, decide to shut down these lines and concentrate on their more paying districts. And as soon as they can offer alternative service on the road they will be free to do so.

It may sound paradoxical to say that the future of the railways lies on the road, but after seeing what I have seen this summer I am convinced that that is the fact.—Yours, &c.,
E. T. BROWN.

Burwood Farm, Rotherfield, Sussex, August 20th, 1928.

Books and Publications.

AMERICA'S PART IN POLAND.*

If it be said that an opportunity was missed in the writing of Mr Fisher's "America and the New Poland," that does not reflect on the value of the work done in the preparation of the volume. In fact, it presents an admirable record of the events which showed the steady purpose of Americans in working, in ever so many ways, and in the face of ever so many difficulties, to help Poland as a nation back to life during and after the war. The book is well planned and well written in a broad, impartial spirit. It is based on extensive research. It is a great collection of materials for history. In a sense it is history, but not quite fully so, for it lacks the magician's touch. It is a book written in a library. If we pause to think what, say, Macaulay would have made of such a story—dominated by a few strong personalities and full of dramatic situations—we may perhaps wish that Mr Fisher had been able to transform the face of his blank canvas with the firm, broad strokes of the nineteenth-century historian, but we must not for that reason cavil at what he has accomplished.

By his aid we can trace readily the elements of the drama. There is first the dismemberment of the old Poland, the subjection of its people to the alien rule of surrounding Empires—the captivity, as the first chapter terms it—the submergence, but not the extinction, of a nation, and the growth of numerous Polish communities in the United States. Then the war, in which "the 700,000 Polish conscripts in the Russian armies and an equal number in the German and Austrian forces were compelled not only to offer their lives in the battles of their oppressors, but to fight against their kinsmen."

* "America and the New Poland." By H. H. Fisher. (New York) The Macmillan Company. 1928. 15s net.

The tragic position of the soldiers compelled to fight their own people was paralleled by that of the civilians. Nowhere were the sufferings of the helpless people so great. At an early stage of the war Mr Hoover—the present Presidential candidate—and his American associates tried to organise relief for the Poles, but were checked by "the hostility in Allied circles, especially military," the authorities fearing that relief measures might give some advantage to the Germans.

The main part of the book is the record of Hoover's five years' work in organising, in the face of enormous and continuous difficulties, but backed by President Wilson, relief operations, and, further, in carrying through measures of reconstruction with the co-operation of leading Poles, among whom Paderewski and Pilsudski (especially the latter) stand out as dominating figures. These are the three leading characters of the story. The quiet, resourceful, thorough American, with his plans made far in advance, who time and again, when need was urgent, declined to delay action till authority was obtained. The Pole who held the confidence both of his own people and of Allied and American statesmen, and the Pole whose "personality, prestige and popularity" enabled him, with help from without, to weld the new Poland together.

There are the three, and the story weaves itself round them. Very early in 1919, "the Americans," we are reminded, "went ahead with food delivery, while Paris, Washington, and Warsaw still discussed ways and means." Starving people cannot wait. Especially was it necessary to save the children. Not even Austria had greater need. The United States provided the greater part of both supplies and finance. Despite obstacles at every step, the revictualment was completed. Concurrently the problem of economic recuperation (including the coal crisis) was tackled. The spread of typhus in Poland, still ravaged by frontier warfare, threatened the whole of Europe. It was conquered, and further economic adjustments prepared the way for the stabilisation plan of 1927. The last chapter refers to this, though the greater part of the narrative is devoted to the events of the three or four years following the Armistice. In these difficult times Americans "encouraged the resumption of international trade by overcoming suspicious hostility and preventing 'incidents' which were forever occurring in the absence of the American representatives." The telling of the story shows us something not only of the new Poland, but of the work of the new great Power in world affairs.

THE COST PRICE SYSTEM.

MR A. J. W. KEPPEL proposes, in "The Theory of the Cost Price System,"* a reorientation of our economic order, for which he urgently disclaims the name of Socialism. It involves, he tells us, no "radical and far-reaching change in the economic world," indeed, the Conservative Party is "as fitted to inaugurate such a system as any other party—and perhaps better fitted than most." For the Cost Price System "involves little beyond the extinction of artificial scarcities, and the gradual readjustment of production in accordance with a redistribution of demand."

Mr Keppel's object is to secure that all goods and services shall exchange at cost price, in order that the "surplus," i.e., the difference between the whole produce of labour and the maintenance cost of the labour involved, may be properly distributed between necessary capital accumulation and a generally diffused improvement in the standard of living. In order that the system may be effective, rent and profits arising from differential scarcities must, of course, be eliminated as an element in cost price, as also must all wages "above the average," since these must arise from some form of individually or socially contrived scarcity. Thus "all wages in a Cost Price System gradually tended to a uniform level." The duty of saving under such conditions is naturally transferred from the individual to the State; and by a process of ingenious reasoning which we have not space to recapitulate, capital (which is inalienable from labour)

* "The Theory of the Cost Price System." By Arnold J. W. Keppel. Allen and Unwin, Limited. 6s. Pp. 188.

is set free for allocation by a "conclave of business men in an industrial budget of any required degree of official backing and support."

Many of Mr Keppel's readers will be impressed by the cheery optimism and prophetic faith with which he carries through his intricate and highly theoretical expounding of a reconstructed economic science. But we surmise that few of them will agree with his estimate of the Conservative Party's fitness to undertake its inauguration. And it may be that some of them, after reading his book, will be inclined to question his claim to have "demonstrated the utter weakness and futility of current economic science," and to have "gone deeper than any economist with whose works we are acquainted, both into the simple process of consumption and production, and into the more complicated process of exchange and distribution."

AMERICAN INDUSTRIAL SECURITIES.

THE growth of American industry finds a fitting reflection in the steady expansion of Messrs Moody's security manuals, the latest volume of which contains well over 3,000 pages. Nowhere will the investor find fuller information as to the character of any stock in which he may be interested. Not only American, but also the leading foreign companies are included. The information given about each company is so complete as to be most valuable also to the student of economics; one can imagine an excellent course of lectures on American industry being delivered with "Moody's Industrials" as their only source. We cannot, however, refrain from reiterating the suggestion made last year that this excellent volume has now reached dimensions which can no longer be conveniently contained between two covers.

BOOKS RECEIVED.

[Brief mention of a book in this column does not necessarily mean that it will not receive fuller notice in a subsequent issue.]

The British Year-Book of International Law, 1928. (London) Oxford University Press, Warwick square. 16s net.

A regular feature of this year-book is the publication of decisions and awards made during the past year by international tribunals and by national tribunals where points of international law are involved. The special articles include contributions by Professor Pearce Higgins, Vice-Admiral Sir Herbert Richmond, and Professor Brierly.

Coalmining: A European Remedy. By J. R. Bellerby. (London) Macmillan and Co., St Martin's street.

Penetrating and constructive thought on one of the most burning questions of the day is not often expressed with such convincing restraint. Nobody who is interested in the coal question should miss reading this contribution to the problem. Much pithy matter is compressed into 73 pages.

Official Year-Book of the Union of South Africa, 1926-27. Compiled by J. E. Holloway. (London) South Africa High Commissioner, Trafalgar square.

It is difficult to imagine any question of fact about South Africa which could not be answered by reference to this admirable compilation. To the usual features of a very exhaustive year-book, complete with a generous allowance of maps and graphs, have been added a number of special articles on subjects of interest, and a series of photographs of the fauna of the country.

The Official Year-Book of New South Wales, 1926-27. By T. Waites. (London) Australia House, Strand.

This is an exceptionally comprehensive year-book, including not only the usual economic information, but also sections on geography, history, defence, education, police, and innumerable other matters of social or political interest. There is a map and a large number of graphs.

La Réforme Monétaire Anglaise. Par Georges Gaussel. (Paris) Les Presses Universitaires de France, 49 Boulevard Saint-Michel. 20f.

This is a most useful contribution to monetary history, dealing with English currency policy from the time of the Cunliffe Committee to the present. There is a bibliography and a small number of tables and graphs.

Moody's Manual of Investments, American and Foreign Industrial Securities. (London) Moody's Investors' Service, Limited, 33 King William street.

Revue d'Economie Politique. Les Industries Textiles. Par Louis Pommery. (Paris) Librairie du Recueil Sirey, 22 Rue Soufflot.

A brief but useful résumé of the position in 1927 of the French cotton, woollen, silk, jute, hemp, and linen industries. About

eight pages are assigned to each of the first three and a few lines to each of the others.

L'Avenir du Travail. Août, 1928. (Bâle) L'Association Internationale pour le Progrès Social.

Contains an account of the second general assembly of the Association at Vienna; an account of the activities of national branches of the Association, and special articles on "Le Contrôle du crédit et de la Monnaie," by Professor Irving Fisher, and "La durée et le rendement du travail," by H. M. Vernon.

Monthly Labor Review. July, 1928. (Washington) Government Printing Office.

Includes reports on "Recreational opportunities provided by city park systems," "Industrialisation of the feeble-minded," "State and city retirement systems for teachers," and "Strikes and lock-outs in the United States."

Journal of the Royal Statistical Society. Part III. 1928. (London) Royal Statistical Society, 9 Adelphi terrace. 7s 6d.

The papers reprinted in this issue are: "Trade and the Gold Standard," by Henry W. Macrosty; "Vital Registration in Europe," by Major P. Granville Edge; and "Wholesale Prices of Commodities in 1927," by the Editor of the *Statist*. The discussions which followed the reading of the first two papers are also included. The issue contains an obituary notice of Lord Eversley.

A Política Financeira do Presidente Washington Luis. By José Carlos de Macedo Soares. (San Paulo) Instituto d. Anna Rosa, Rua Vergueiro 341.

Income-Tax and Super-Tax. Chart of Rates, Allowances and Abatements. Compiled by Chas. H. Tolley. (London) Waterlow and Sons, Limited, London wall. 3s 6d.

An exhaustive set of reference charts, revised in accord with the new rates of assessment, covering super-tax, sur-tax, corporation profits tax, excess profits duty, land tax, betting duty, &c., and dealing with the complications in connection with them which are apt to be confusing to the taxpayer.

The Bankers' Magazine. August, 1928. (Cambridge, Mass.) The Bankers' Publishing Company, 465 Main street. (London) Effingham Wilson, 16 Copt-hall avenue. 50c.

Includes articles on "Investment Trusts," "New Business Ideas and Suggestions," and "Pitfalls in the Trust Business." *The Banker*, August, 1928. (London) Eyre and Spottiswoode, Limited, 9 East Harding street, Fleet street. 2s 6d net.

The current issue contains an unusually interesting set of articles, among which are: "Central Banking: Recent Developments," by C. H. Kisch; "American Discount Policy," by H. Parker Willis; "Some Advantages of Banking Amalgamations," by Claude Luttrell; and "The First Results of Stabilisation," by Joseph Caillaux.

Rubber Facts and Figures. August, 1928. (London) Fredc. C. Mathieson and Sons, 16 Cophthall avenue, 2s.

This pocket pamphlet gives the range of rubber stock prices for the past year, weekly stocks of rubber since January, 1925, and particulars of several hundred rubber companies.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:—

Ministry of Agriculture and Fisheries: Agricultural Statistics, 1927. Vol. LXII. Part II. *Report on the Prices and Supplies of Agricultural Produce and Requirements in England and Wales*. 1927-28. 1s 3d net.

Department of Overseas Trade. Report on the Trade, Industry, and Finance of Syria, dated May, 1928. By H. E. Satow. 1s net.

Report to the Minister of Transport Upon the Accidents that Occurred on the Railways of Great Britain During the Year 1927. 6d net.

Scottish Office: Statements as to Financial Effects in Certain Counties of the Proposals for Reform in Local Government in Scotland and in the Financial Relations Between the Exchequer and Local Authorities. 9d net.

Aliens Order, 1920: A Return of Alien Passengers, Excluding Transmigrants, Landed, Embarked, and Rejected Leave to Land, in the United Kingdom During the Three Months Ending June 30, 1928. 1d net.

Royal Commission on Agriculture in India. Vol. XIV. *Appendix to the Report*. 7s 9d net.

State Management Districts. Annual Report for the Year ended March 31, 1928. 2d net.

The Registrar-General's Statistical Review of England and Wales for the Year 1927. 15s net.

The Stock Exchange.

RUBBER PROSPECTS.

SINCE the Government announced its decision, last spring, to abandon rubber "restriction" as from November 1st next, the market for rubber shares has been in what is best described as a state of suspended animation. Sellers of the commodity apparently made up their minds as to the effect of the change very shortly after its announcement. Between February 8th and April 18th (i.e., from the eve of the appointment of the Committee of Civil Research to investigate the restriction question to a fortnight after its verdict was published), the "spot" price of rubber in London fell from 1s 6d to 7½d a pound, and to-day's price is no higher than 9d. Further, producers showed most remarkable willingness, as far back as last April, to enter into forward contracts (covering the whole of 1929 in some cases) at prices only slightly above the prevailing spot level. This element of swift decision, however, has not, apparently, applied to holders of rubber shares. The Stock Exchange valuation of the nine representative companies included in the *Bankers' Magazine* index has declined by no more than 35 per cent. over the last eight months, and in the case of some of the leading concerns the falling-off has been even less extensive. Rubber Trusts, for instance, being dealt in this week around 35s 6d, as compared with 43s 9d on January 1st last—a drop of less than 20 per cent. It is well known in the market that no great selling of rubber shares has taken place, but many investors must be increasingly asking themselves what their best policy ought to be as the day approaches when restriction will be abandoned once and for all.

The commodity market, it must be admitted, may have been over-hasty in reducing prices. At the back of everyone's mind last spring was the undoubted fact that the world's rubber consumption had failed by approximately 25,000 tons to equal current production in 1927, when British plantations—in theory, at any rate—were restricted to 64 per cent. of their output capacity. What, then, was likely to be the hiatus when the latter were free to produce up to the hilt? This question still awaits an answer, but the events of the last few months have appreciably modified the prevailing market atmosphere. Thanks in part to the Government's decision to maintain restriction at 60 per cent. till November, and to a tightening-up of assessments in Malaya, to a spurt in American consumption not entirely unconnected with the restarting of the Ford plants, and to a tailing-off in output, particularly that of native producers in the Dutch East Indies, largely as a result of the lower selling prices prevailing—thanks to these and other influences rubber consumption has lately more than overtaken production. The world's "visible" stocks are estimated to have declined from 276,000 tons to 220,000 in the three months ended June 30 last, and this decline has since continued.

Various informed estimates have been put forward of possible rubber output next year, under a régime of free production. As an example, we may select one of the more conservative computations, that of Messrs Wm. Jas. and Hy. Thompson, of Mincing lane.* This firm of produce brokers assumes that British estates in Malaya will, in fact, produce in 1929 the full "Standard" figure at which their capacity was officially assessed for 1927. That assessment was, in fact, the highest ever made. In Ceylon (where restriction has always been somewhat loosely applied) production is put at a figure no greater than in 1926, when the estates were working at full pressure. The firm assumes, further, that all British estates in the Dutch East Indies have been conscientiously applying voluntary restriction, and will increase their output by the full theoretical amount next year (i.e., from 64 per cent. in 1927 to 100 per cent. in 1929, an assumption which is

admittedly on the generous side). As regards non-British rubber, it is assumed that Dutch estate production will increase by 7½ per cent. (as in 1928), while Dutch native exports will be only two-thirds of the 1927 figure, after allowing for the cessation of smuggling into Malaya, which will no longer have any *raison-d'être*. After minor adjustments, estimated world production is put at 678,500 tons, including 482,500 tons of British and 196,000 tons of non-British origin. Consumption in 1927 was 580,000 tons, and by present appearances may reach in 1928 some 620,000-630,000 tons. The potential gap, therefore, is still, on this showing, considerable.

Another upsetting feature is the belief that, since April last, a number of Malayan estates have been, in fact, producing at their full capacity, and accumulating "invisible" stocks, which will tend to swamp the market next November. The firm mentioned above originally put this "invisible" rubber at 109,500 tons, but the results of a recent official census have suggested that about 80,800 tons is a more likely figure. This is a formidable but not a crushing total, in view of the extent to which the world's "visible" stocks have fallen in recent months. There is only about half as much rubber in London to-day as in January last, and New York stocks are below the three months' consumption level that past experience has suggested as desirable.

Prophecy in the rubber market is notoriously dangerous, but the broad conclusion suggested by these figures is that rubber has a difficult corner to turn next November, and that in 1929 there may quite conceivably be a gap between production and consumption. Thenceforward those economic tendencies, some of which can only operate in the "long" rather than the "short" run, may come increasingly into play—stimulated consumption of crude rubber, a check to the growing use of reclaimed, the falling-out of those producers, European and native, who cannot indefinitely stand the strain of low selling prices, and the like. One has always to remember in judging rubber possibilities that manufacturers' programmes of consumption have in the past been subject to sudden and drastic revision in either direction, and this factor may assume even more than its customary importance under the conditions we have indicated.

On the whole, while an ultimate recovery may be looked for with some confidence, that recovery is not likely to be immediate, nor, we may add, is it considered likely that it will raise prices permanently to the level of 1s 6d-1s 9d a pound contemplated by the restriction scheme.

If this view is at all a true one, it is more than usually necessary for the rubber shareholder to examine the record of individual companies as regards costs of production, which, as is well known, have varied considerably in the past. Some concerns may have been more fortunate or skilful than others in selling their production "forward" at remunerative prices, but as the months go by it is the difference between costs and current market prices which the investor must chiefly study. We may illustrate this by reference to the published figures of a small group of representative concerns. The first of the tables which follow shows the cost of production of each company during the last five years, together with the average London selling price of ribbed smoke sheet; the second, the net profits earned in the same periods:—

Cost of Production per Lb.

	1923	1924	1925	1926	1927
London Selling Price—	s d	s d	s d	s d	s d
Ribbed smoke sheet	1 3½	1 1½	2 10½	1 11½	1 6½
Cost of Production—					
Anglo-Malay	0 7½	0 8½	0 7½	0 8½	0 8½
Cons. Malay	0 9½	0 10½	0 8½	0 9½	0 11½
Golden Hope	0 9½	0 9½	0 9½	0 8½	0 10½
Linggi	0 7½	0 9½	0 9½	0 9½	0 9½
London Asiatic	0 8½	0 9½	0 8½	0 7½	0 9½
United Serdang	0 7½	0 9½	0 10½	0 10½	0 10½

* "Rubber Quarterly," May 15 and August 15, 1928.

* Year to August 31.

and the average rate was over a shilling lower at £4 8s 7.07d. The latter figure was below market expectation, and is an encouraging commentary on the high level at which Indian Government credit stands to-day, despite certain elements of difficulty in the monetary situation in India. It is an interesting question whether the present temporary borrowing is to be regarded as an advance intimation of a substantial long-term issue of capital in the near future. Last year's bills were eventually repaid out of the proceeds of a £7,500,000 Sterling Loan, and in view of the purposes to which the present issue is to be devoted, it would not be altogether surprising were India to figure among long-term Imperial borrowers in London early next year.

Singer and Company.—The rise of Singer and Company from one of the smallest to the third largest producer of motor cars in Great Britain is by way of being a romance of post-war industrial history. Formed in 1909 with a small capital, the company regularly put back considerable sums out of each year's profits into its business, and after a period of post-war stagnation in earnings, began a rapid upward movement in 1924, which has since been maintained. The fortunate shareholders obtained capitalised bonuses of 100 per cent. in 1920, 33½ per cent. in 1925 and 25 per cent. in 1926. The company has recently been effecting far-reaching changes in its organisation, and these, unfortunately, tend to make the latest accounts much less easy to follow than their predecessors. The following table shows earnings, dividends, &c., during the three last financial years:—

YEARS ENDED JULY 31.

	1926.	1927.	1928.
Paid-up capital (ord. £1 shares).....	£266,704	£666,760	£666,760
Profit on trading	128,249	147,427	192,184
Net profit	121,953	140,365	171,223
Earnings per share	45.7%	21.1%	25.7%
Dividends			
Paid per share (Rate, "tax payable" ..)	25.0%	25.0%	20.0%
share (Equivalent, "tax free" ..)	20.0%	20.0%	16.0%
Amount of dividend	£66,676	£104,181	£133,352
Reserve for income-tax	13,000	10,000	5,000
Employees' old age account	..	3,000	..
Undistributed Profits	48,352	..	£5,000
Added to general reserve ..	..	..	..
" " leasehold amortisation fund	2,000	4,000	..
Ino. or dec. in carry forward	8,075	19,184	27,871

The latest figures should be read in the light of the company's statement that the new Birmingham factory, on which approximately £750,000 of capital has been spent, was commercially productive for less than six months of the last financial year. The directors believe, however, that the purchase has already justified itself, the output of cars—a record for the company—having been greater than the old works at Coventry could have coped with. An improved "service" depot has been provided at Wembley. The programme of 1929 provides for a "materially increased" output, but the directors are silent on the question whether competition in the motor trade is tending to increase, and whether selling prices are likely to fall still further. They do, however, claim that the operation of the Birmingham factory is enabling production costs to be reduced. It is proposed to capitalise £333,380 of the £630,958 standing to the credit of the reserve account, by distributing to shareholders one fully paid 7 per cent. preference share for every two ordinary shares held on August 27th last. The company will then have a surplus of assets over liabilities other than capital, at book value, of £1,377,139, against an issued share capital of £1,000,140. Goodwill does not figure in the accounts. Highest and lowest Stock Exchange prices of the £1 ordinary shares during recent years are shown below:—

	1925.	1926.	1927.	1928 (to date).
Highest	1 23	2 2	3 1	3 1
Lowest	1 1	1 1	2 1	3 1

At their present price of just under 3, the shares give a yield, allowing for 4s dividend, of £7 5s 6d per cent., less income-tax.

Shell Union Oil Corporation.—The rise in gasoline prices in the United States, which the *Economist* discussed in a leading article last week, has already had the effect of improving the trading accounts of the Shell Union Oil Corporation, the American subsidiary of the Royal Dutch-Shell group. For the first half of 1928 its gross earnings showed an increase of 1½ per cent. over those of the first six months of 1927, although in view of a larger deduction in respect of depreciation and depletion its net earnings show a decline of 20 per cent. The figures are as follow:—

	1st Half 1927.	1st Half 1928.
Gross income	\$23,469,487	\$28,042,285
Deduct deprec., deplet., drilling, &c.	15,484,237	20,017,406
Debiture interest	395,833	1,981,643
Net income	7,589,417	6,043,237
Preferred dividends	381,270	..
Common dividends	7,000,000	7,000,000
Paid on common shares for half-year ..	70 cents.	70 cents.
Earnings	72 cents.	60 cents.

It will be seen that the Shell Union in the first half of 1928 did not earn as much as it paid in dividends, which have been maintained at the rate of 35 cents a quarter, or \$1.40 per annum, but it must be remembered that the improvement in trading conditions only set in during the second quarter when earnings amounted to 45 cents a share as compared with 15 cents a share in the first quarter and 22 cents a share in the second quarter of 1927. For the third quarter of 1928 a further improvement should be shown, as there has been a substantial rise in oil prices in California, in which State the Shell Union is the second largest marketer of oil. For the whole of 1928 it will be surprising if the net earnings do not cover the dividend requirements. At the present price of \$27 New York the shares yield 5.22 per cent. on the basis of current dividends.

British International Pictures, Limited.—The *Economist*, in its issue of July 14th last, gave figures to show how the Films Act played into the hands of the astute company promoter. The full disaster which that Act is likely to bring upon the subscribers to recent new film company issues will be seen only when these companies publish their first accounts. We welcome, however, the initial report of British International Pictures, Limited, a company which was established in its Elstree studios before the Films Act was conceived, and was already demonstrating that British films did not need Government support. It now has a capital of £750,000, consisting of £250,000 in 8 per cent. preference shares of £1 each and £500,000 in ordinary shares of 5s. For the year to March, 1928, it earned, after allowing for preference dividends, £21,149, or 6 per cent. on the then ordinary capital of £350,000. But these earnings were derived merely from film studio rents and the dividends from its distributing company, Wardour Films. The company produced in this period twelve British films, but as these did not begin to be exhibited until September, no profits from them are shown in the accounts. The directors state that they are satisfied from the sales contracts secured in the home and foreign markets that very substantial profits will in due course be earned in respect of these productions. The balance-sheet shows the effect of the increase in the ordinary capital by the recent issue of 600,000 ordinary shares at a premium of 2s 6d. The surplus of current assets over current liabilities amounts to over £200,000, of which £170,706 is in cash. We have previously noted that British International has bought the controlling interest of Lord Beaverbrook's syndicate, the Standard Film Company, in First National-Pathé, which will presumably give it the right to make British quota pictures for First National Pictures, Incorporated,

one of the "big three" in the American film world. British International has also made a contract with World Wide Pictures Corporation for the sale of its films in America—the goal of all British film producers. But why does Lord Beaverbrook, who has parted with his controlling interest in First National-Pathé, not believe in the success of British films?

Greyhound Racing Association Trust.—In an article in the *Economist* of October 22, 1927, commenting on the craze for greyhound racing, and warning investors against subscribing to the flood of new greyhound issues, we expressed the opinion that it would seem inevitable that a very large proportion of these ventures would come to complete and utter failure. We scarcely expected, however, at that time, that the day of reckoning would come so quickly as now appears probable. Whether the rumoured drop in the attendance at greyhound racing meetings is a temporary phase or the beginning of the end we do not know, but it is significant that the directors of the Greyhound Racing Association Trust have felt it desirable, in view of the heavy depreciation in the company's shares, to issue an interim report to their shareholders. The Greyhound Racing Association Trust owns some of the leading greyhound tracks in the country—the White City, Harringay (both in London), Edinburgh and Birmingham. In their report the directors state that at the time the company was formed it could not have been foreseen that it would have to face the severe competition caused by the formation of a very large number of greyhound racing tracks, particularly in the provinces, and the development of the new sport of dirt-track motor-cycle racing. This competition has forced the company to curtail its original programme of provincial development and to start operating in dirt-track racing in conjunction with International Speedways. It is the opinion of the directors that more people are going to greyhound races than ever before, and that the sport is firmly established in the largest centres of Great Britain. But the following figures which the directors give in their report, showing the receipts from their principal greyhound racing tracks from January 1st to August 25, 1928, are not particularly reassuring to shareholders:—

	Receipts, Less Entertainment Duty.	No. of Persons Paying for Admission.	No. of Competing Tracks in Neighbourhood.
Track.			
White City	£103,080	1,141,759	..
Harringay	£95,357	1,100,604	4
Edinburgh	£17,936	274,201	none
Birmingham ..	£15,056	157,000	2

Amount paid in prize money, over £50,000. Amount paid in Entertainment Tax to the Inland Revenue, £32,000.

This statement does not give any details of the company's expenses or an estimate of the net profits of the company this year. The prospectus, which was issued at the end of last year, gave the managing director's estimate of profits as £350,000. This estimate does not appear likely to be realised. The slump in the market prices of the leading greyhound racing shares is shown in the following table:—

	Denomination of Shares.	Jan. 4.	Mar. 31.	June 29.	Aug. 30.
Wembley Stadium & Greyhound Racecourse, Limited, def.	1/	3/9	4/4	1/6	1/
Do 7½% cum. part. pref.	£1	10/	14/3	8/9	2/6
West Ham Greyhound Racecourse, Limited, def.	1/	2/10½	3/4	1/4	1/2½
Do 10% pref. ord.	£1	..	8/9	9/	5/6
Staines Greyhound Racecourse, Lim., def.	1/	2/6	2/6	1/	1/
Greyhound Racing (ord.)	1/	2/7½	4/2	2/4	1/4½
Association Trust (8% pref.)	£1	12/9	12/7½	11/½	6/3

It should be added that the market in most of these greyhound racing shares has become extremely difficult to deal in. To unload shares on an unwilling market is unwise at all times. The agitation to make greyhound racing a cleaner sport may eventually give it a better Press and

public, but at the moment the commercial outlook for the greyhound racing companies cannot be regarded as over-promising.

NEW ISSUES OF THE WEEK.

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
Net total amount previously recorded, £281,660,013.				
ISSUES OF THE WEEK—				
NATIONAL SAVINGS CERTIFICATES.				
Net Sales, week ended August 25, 1928, Dr £150,000.				
Total Receipts April 1, 1928, to August 25, 1928, Dr 1,500,000.				
To the Public—				
5% Treasury Bonds. Issue of £35,000,000 by tender (Aug. 23) at min. price of 101½, red. at par, Feb. 1, 1933-35.)				
Result of tender, average price £101 0s 11½d, £36,698,944. Included in gross but not in net total for 1928.				
To Shareholders only—				
Rhodesian Congo Border Commission, 74,634 Ord. £1, at 30s	74,634	111,951	37,317	74,634
Total offered to shareholders	..	111,951	37,317	74,634
Net total offered for subscription to date in—				
1928	*281,621,964	1928	355,165,970	
1927	247,161,290	1927	230,782,601	
1926	140,590,269	1926	232,214,500	
1925	128,360,577	1925	209,326,100	
1924	130,822,951	1924	271,393,173	
1923	202,230,317	1923	573,675,650	

* Gross total, £453,722,587, less conversions, £172,100,623.

India Bills.—Notice was given this week by the Secretary of State for India in Council of an issue by tender on August 28th of £6,000,000 India Bills, under the East India Loans Act, 1923, and previous acts, to provide funds for capital expenditure on railways in India. The Bills were in amounts of £1,000, £5,000 or £10,000, and were dated August 31, 1928, and payable on February 28, 1929. Applications totalled £9,845,000, the £6,000,000 Bills being allotted at an average discount of £4 8s 7.07d per cent. Comment on this issue will be found in a note in the "Stock Exchange" section.

Railway Traffic Figures, Short Notices on Company Reports, &c., will be found on later pages of this issue.

SUMMARY OF BALANCE-SHEETS.

SINGER AND COMPANY, LIMITED.

July 31, 1928.

LIABILITIES.	Compared with July 31, 1927.	ASSETS.	Compared with July 31, 1927.
Amount.	£	Amount.	£
6½% Reg. Notes ..	150,813 .. + 412	Properties	670,016 .. + 6,708
Creditors	132,395 .. + 26,401	Plant, &c.	496,876 .. + 241,556
Employees' old age account	6,597 .. + 2,167	Bank deposit	nil .. -135,000
Debentures	nil .. -135,000	Stocks	340,446 .. + 105,769
Ord. shares (£1) ..	666,760 ..	Debtors	19,904 .. + 5,023
Share premium account	542,421 .. - 735	Calls in arrear ..	nil .. -14,493
Properties & plant reserve	88,537 .. - 1,463	Cash	273,054 .. -324,546
Leasehold amortisation account ..	nil .. - 4,000		
Profit and loss	212,773 .. + 50,042		
Total	1,800,296 .. -114,978	Total	1,800,296 .. -114,978

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of the *Economist*, 6 Bouverie street, Fleet street, E.C. 4.

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COMPANY MEETINGS, &c.

GOODLASS, WALL AND COMPANY, LIMITED.

IMPORTANT DEVELOPMENTS IN PROSPECT.

INCREASED DIVIDEND AND TRADE EXPANSION.

The ninth ordinary general meeting of Goodlass, Wall and Co., Limited, was held on Thursday, the 23rd ult., at Liverpool, Mr John Byrne (chairman and managing director) presiding.

The Chairman, in proposing the adoption of the report and balance-sheet, said the fixed assets of the company had increased during the year by £11,486, due to the development and extension of the undertaking. Investments and loan accounts had increased by £8,950, and, with the additional allocation of £10,000, the general reserve would be increased to £35,000.

SATISFACTORY RESULTS—PROMISING OUTLOOK.

Due largely to special and non-recurring expenditure the profits were £1,211 less than last year, but the results were eminently satisfactory, and enabled the directors to increase the dividend to 17½ per cent. The trade outlook in the company's business seemed to be very promising. He had no reason but to anticipate that the results for the current year would be as gratifying to shareholders as they had been in the past. The directors were taking further steps to develop existing business, and had asked Mr Charles Frederic Spencer to join the board to assist in this development work. They would avail themselves of his extensive commercial experience and advice in the extension of their enterprise.

The company had a good name for its products, which stood well with their customers, who comprised a large clientèle of satisfied purchasers. It was intended during the year to extend the business in such a way as would increase output to no small extent, and he hoped their profits would be augmented in consequence. New methods of selling their products were to be put into operation in order to bring about additional turnover, and he had no doubt as to the result of their efforts.

DEVELOPMENT OF NEW BUSINESS.

In addition to the development to which he had referred, they were intending to take part in the development of an entirely new business which would be associated with the company's paint business. On this matter he could not make any detailed statement, but at a later date he hoped to call the shareholders together, perhaps within the next two months, when he was convinced that the proposals which would be submitted to them would have their support.

A year ago he told the shareholders of the valuable additions which had been made to the company's plant. A great deal more had been done and was still being effected in that respect, and he hoped that this with other factory work now in hand would enable them to go still further ahead and enhance the value of the share holdings.

Mr A. P. Bevan, in seconding, said the company's high reputation and the quality of its products were outstanding features of its trading. They had striven to maintain these, and he believed that they were at the beginning of greater things and wider expansion.

MR SPENCER'S VIEWS.

Mr C. F. Spencer, in supporting, said the business was one of very great vitality, which was the reason why the group he represented had taken a very big interest in the undertaking. It had a really live goodwill, and he hoped during the next twelve months they would be able to carry out the programme mentioned by the chairman of increasing the output of the company and its profits. The fact that the past year's results had been so good, at a time when the basic industries of the country were depressed, spoke for itself. The company possessed specialities which were known for their excellent quality, and, having a good article to sell, there was no reason why they should not sell it on an intensive basis. That was to be the policy, with results, he hoped, which would be eminently satisfactory.

The motion was adopted, and the payment of preference and interim ordinary dividends was confirmed. The meeting also authorised a further dividend on ordinary shares of 12½ per cent., making 17½ per cent. for the year (less tax), and the placing of £10,000 to general reserve.

Mr A. W. Gibson, the retiring director, was re-elected, and a motion confirming the election of Mr C. F. Spencer to a seat on the board was carried unanimously.

Mr Gibson mentioned that the returns for the first month of the new financial year showed a very substantial increase in sales compared with the corresponding month of last year.

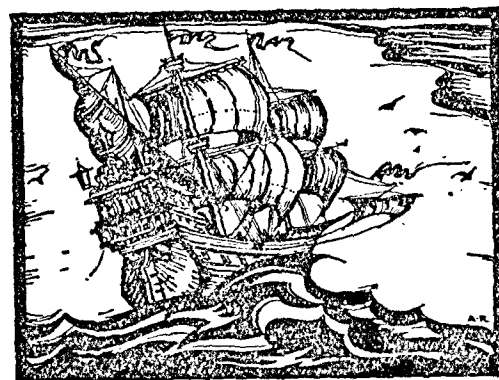
Messrs Stead, Taylor and Stead were reappointed auditors, and a hearty vote of thanks to the chairman concluded the meeting.

GOVERNMENT RETURNS, &c.

PUBLIC INCOME AND EXPENDITURE.

RECEIPTS INTO AND ISSUES OUT OF THE EXCHEQUER.

	Estimate for the Year 1928-29.	Total Receipts into the Exchequer from April 1, 1928, to Aug. 25, 1928.	Week Ended Aug. 25, 1928.	Week Ended Aug. 27, 1927.
Balances in Exchequer on 1st April:—				
Bank of England ..	..	5,918,513	6,003,023	..
Bank of Ireland ..	..	404,112	456,633	..
	..	6,322,625	6,459,656	..
ORDINARY REVENUE.				
Inland Revenue—				
Property and Income Tax ..	232,900,000	45,554,000	61,718,000	2,619,000
Super-Tax ..	60,000,000	10,140,000	13,170,000	170,000
Estate, &c., Duties ..	72,000,000	31,870,000	29,050,000	1,430,000
Stamps ..	28,000,000	9,560,000	7,900,000	560,000
Excess Profits Duties, &c. ..	1,000,000	..	..	..
Corporation Profits Tax ..	1,500,000	360,000	760,000	30,000
Land Tax, House Duty and Mineral Rights Duty ..	850,000	150,000	110,000	10,000
Total Inland Revenue ..	396,250,000	97,574,000	112,708,000	4,819,000
Customs and Excise—				
Customs ..	120,637,000	44,752,000	44,035,000	3,377,000
Excise ..	140,768,000	52,540,000	53,609,000	1,328,000
Total Customs & Excise ..	261,405,000	97,292,000	97,644,000	4,705,000
Motor Vehicle Duties (Exchequer Share) ..	4,400,000	1,390,159	1,889,418	Dr. 200,000
Post Office (Net Receipts) ..	8,186,000	3,900,000	3,050,000	80,000
Crown Lands ..	1,100,000	510,000	510,000	..
Receipts from Sundry Loans ..	27,650,000	8,240,473	6,844,826	..
Miscellaneous: Ordinary Receipts ..	13,550,000	3,969,004	8,297,079	15,803
Miscellaneous: Special Receipts ..	40,362,000	7,030,219	9,972,510	6,885
Total Ordinary Revenue ..	752,903,000	219,905,855	240,915,834	8,419,803
SELF-BALANCING REVENUE.				
Post Office ..	57,314,000	22,500,080	22,300,000	2,300,000
Motor Vehicle Duties apportioned to Road Fund ..	21,300,000	5,718,841	4,637,581	..
Total Self-Balancing Revenue ..	78,614,000	28,218,841	26,937,581	2,300,000



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Under this name—the Feast of the Latin Race—is commemorated, on the 12th of October each year throughout South and Central America, the historic voyage of discovery by Columbus in 1492.

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THE ANGLO-SOUTH AMERICAN BANK LTD
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	Total Receipts into the Exchequer from Apr. 1, 1928, to Aug. 25, 1928.	Total Receipts into the Exchequer from Apr. 1, 1927, to Aug. 27, 1927.	Week Ended Aug. 25, 1928.	Week Ended Aug. 27, 1927.
OTHER RECEIPTS.				
Temporary Advances Repaid—				
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	..	..	..	..
Under the Unemployment Insurance Acts, 1921 ..	714,432	2,868,000	..	..
Money Raised by Creation of Debt—				
(a) For Capital Expenditure Issues: Under the Telegraph (Money) Act, 1925 ..	2,550,000	2,500,000	..	..
(b) Under the Unemployment Insurance Acts, 1921 ..	2,720,000	960,000	260,000	..
(c) For other Issues: By Treasury Bills ..	975,367,000	931,826,000	49,858,000	46,907,000
By 4% Consolidated Loan ..	15,600,000	13,800,000	650,000	500,000
By National Savings Certificates ..	10	..	..	..
By National War Bonds ..	59,935,113	..	1,700,000	..
By 5% Treasury Bonds, 1933-35 ..	223,400,000	210,980,000	1,550,000	1,100,000
Repayments—				
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921 ..	53,273	55,007	..	..
Total ..	£ 1,539,767,149	£ 1,538,618,834	£ 64,737,808	£ 56,871,617

EXPENDITURE AND OTHER ISSUES.

	Estimate for the Year 1928-29 (including Supplementary Grant).	Total Issues out of the Exchequer to Meet Payments from Apr. 1, 1928, to Aug. 25, 1928.	Week Ended Aug. 25, 1928.	Week Ended Aug. 27, 1927.
ORDINARY EXPENDITURE.				
Interest & Management of National Debt ..	304,000,000	143,949,767	138,168,142	999,440
Payments to Local Taxation Accounts ..	14,200,000	2,938,773	3,845,506	930,000
Payments to Northern Ireland Exchequer ..	5,600,000	1,505,226	1,899,422	175,428
Other Consolidated Fund Services ..	2,600,000	779,621	1,259,435	2,473
Supply Services (excluding Post Office) ..	350,192,000	128,239,303	132,573,879	4,295,803
Total Ordinary Expenditure ..	676,592,000	277,412,690	277,746,384	6,403,144
SELF-BALANCING EXPENDITURE.				
Sinking Fund ..	65,000,000	22,584,491	17,502,319	1,580,000
Post Office ..	57,314,000	22,500,000	22,300,000	2,300,000
Road Fund ..	21,300,000	5,718,841	4,637,581	..
Total Self-Balancing Expenditure ..	78,614,000	28,218,841	26,937,581	2,300,000

	Total Receipts into the Exchequer from Apr. 1, 1928, to Aug. 25, 1928.	Total Receipts into the Exchequer from Apr. 1, 1927, to Aug. 27, 1927.	Week Ended Aug. 25, 1928.	Week Ended Aug. 27, 1927.
OTHER ISSUES.				
Temporary Advances	18,458	18,458	..	..
Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904 ..	2,720,000	990,000	250,000	30,000
Under the Unemployment Insurance Acts, 1921 ..	3,750,000	3,800,000	..	200,000
Unemployment Insurance Acts, 1921—				
Repayment of Amounts Borrowed	714,432	2,828,000	..	..
Redemption of Debt—				
Treasury Bills ..	889,645,000	976,150,000	46,745,000	47,315,000
Principal of National Savings Certificates ..	17,100,000	15,350,000	800,000	650,000
Principal of National War Bonds paid off ..	46,766,308	..	..	..
Other Debt under the War Loan Acts, 1914 to 1919 ..	3,341,000	..	..	..
Ways and Means Advances Repaid	244,700,000	214,401,000	7,000,000	..
Old Sinking Fund, 1907-08—				
Issued under Section 9 of the Finance Act, 1908 ..	1,000	..	..	..
Balances in Exchequer—				
Bank of England ..	1,536,990,217	1,535,723,742	64,666,144	56,803,810
Bank of Ireland ..	2,065,493	2,070,639	15,312	24,193
Bank of Ireland ..	731,434	824,453	87,001	92,000
Total ..	2,796,932	2,895,922	71,659	67,807

Treasury, August 27, 1928.

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1913.	Mar. 31, 1914.	Mar. 31, 1915.	Mar. 31, 1916.	Mar. 31, 1917.	Dec. 31, 1917.	Mar. 31, 1918.	Aug. 25, 1928.
2½% and 2½% Consols ..	573	300	300	300	300	300	300	300	300
Other Funded Debt ..	15	15	14	14	14	14	14	14	14
Term Annuities ..	30	20	14	13	13	166	207	204	204
4% Consolidated Loan ..	..	..	666	709	760	740	852	832	832
3½% Conversion Loan ..	..	..	210	211	211	211	221	221	221
4½% Conversion Loan ..	..	63	63	63	63	63	42	..	..
3½% War Stock ..	..	13	13	13	13	13	13	13	13
4½% War Stock ..	2,047	2,166	2,052	2,109	2,154	2,154	2,253	2,253	2,253
4% National War Bonds ..	1,509	820	778	706	556	430	194	146	146
4% Funding Loan ..	409	396	394	390	389	389	385	385	385
4% Victory Bonds ..	360	314	303	292	277	277	260	260	260
Treasury Bonds ..	..	457	499	482	454	518	675	735	735
Exchequer Bonds ..	20	323	150	15	15	15	15	15	15
National Savings Certs. ..	..	287	366	369	375	372	370	363	362
Other Debt ..	1,306	1,128	1,124	1,111	1,103	1,103	1,097	1,094	1,094
American Loan (Anglo-French) ..	15	1,107	588	576	565	599	651	612	612
Treasury Bills ..	1	243	186	167	174	174	174	162	145
Temporary Advances ..	654	8,033	7,641	7,598	7,553	7,555	7,732	7,527	7,603
Other Capital Liabilities ..	57	46	66	68	75	98	100	101	103
Total Liabilities ..	711	8,079	7,707	7,666	7,633	7,653	7,832	7,628	7,706

* Includes debt to American Government.

POSITION OF THE FLOATING DEBT.

Ways and Means Advances	Aug. 27, '27.	Mar. 31, '28.	Aug. 25, '28.	Aug. 25, '28.
Outstanding—				
Advances by Bank of England	113,180,000	161,850,000	145,550,000	5,450,000
Advances by Public Deptmts.	614,845,000	612,665,000	612,665,000	3,095,000
Treasury Bills Outstanding	728,025,000	688,790,000	758,215,000	2,355,000
Total Floating Debt ..	1,456,050,000	1,463,305,000	1,516,425,000	10,900,000

* Includes £6,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on Aug. 24, 1928, and the total amount applied for was £50,275,000. For bills at 3 months, dated Monday to Thursday, at £98 18s 4d, and above in full. The amounts allotted were in bills at 3 months, £40,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1928.			
June 22 ..	35,000,000	43,275,000	5 16 4-32
June 29 ..	40,000,000	73,725,000	5 16 6-96
July 6 ..	40,000,000	57,663,000	5 14 0-25
July 13 ..	40,000,000	47,975,000	4 1 3-003
July 20 ..	40,000,000	57,355,000	4 0 0-52
July 27 ..	40,000,000	49,165,000	4 2 6-42
Aug. 3 ..	40,000,000	48,430,000	4 4 2-60
Aug. 10 ..	40,000,000	46,430,000	4 5 4-65
Aug. 17 ..	40,000,000	55,875,000	4 5 5-39
Aug. 24 ..	40,000,000	50,275,000	4 5 7-80

CURRENCY NOTES ACCOUNT—(000's omitted).

Date.	Notes and Certificates Outstanding.	Investments Reserve Account.	Redemption Account.					
			Silver Coin.	Gold Coin and Bullion.	Bank of England Notes.	Ratio to Notes.	Govern- ment Secur- ties.	Balance at Bank of England.
1924.	£	£	£	£	£	%		£
Mar. 26	281,538	11,908	7,000	27,000	22,450	17-6	236,867	130
June 25	290,315	12,472	7,000	27,000	22,450	17-0	246,198	140
Sept. 24	285,592	12,277	7,000	27,000	22,450	17-3	241,169	164
Dec. 31	296,261	12,812	7,000	27,000	26,950	18-2	248,111	132
1925.				27,000				
Mar. 25	284,256	11,882	7,000		26,950	18-9	235,076	112
June 24	292,278	12,266	7,000		53,950	18-5	243,474	119
Sept. 30	293,004	12,555	7,000		56,250	19-1	243,188	121
Dec. 30	296,777	12,561	7,000		56,250	18-9	245,896	132
1926.								
Mar. 31	295,337	12,226	6,550		56,250	19-0	244,585	178
June 30	294,036	12,567	6,550		56,250	19-1	243,667	138
Sept. 29	287,858	12,295	6,000		56,250	19-4	237,467	136
Dec. 29	296,461	12,467	6,300		56,250	18-9	246,249	139
1927.								
Mar. 30	288,067	11,882	6,550		56,250	19-5	237,913	135
June 29	298,260	12,612	6,650		56,250	18-8	249,267	105
Sept. 28	294,739	12,752	6,650		56,250	19-0	245,424	226
Dec. 28	299,791	12,504	6,550		56,250	18-8	250,662	133
1928.								
Mar. 28	289,508	12,515	5,500		56,250	19-4	240,241	132
June 27	296,030	12,449	5,400		56,250	19-0	246,606	178
Aug. 27	294,704	12,344	5,460		56,250	19-0	245,252	147
Aug. 22	296,917	12,390	5,400		56,250	18-9	247,485	172

	Amount, Aug. 29, 1928.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Best	3,672,244	+	21,326
Public deposits	19,228,739	+	2,616,756
Other deposits	95,303,604	+	2,103,284
Government securities	29,140,827	+	29,366,572
Other securities	43,443,802	+	1,805,292
Reserve	60,175,962	+	623,343
Note circulation	135,441,460	+	628,881
Coin and bullion	175,467,362	+	1,044,153
% of reserve to liabilities	52%	+	5%

Date.	Coin and Bullion.	Deposits.	Securities in Banking Department.	Gold out of Bank.	Reserve and % of Reserve to Liabilities.
1928.					
July 4	173,428,254	137,166,490	146,515,771	103,519,972	942,000 in 56,011,744 38%
11	174,356,917	136,551,118	136,913,180	81,217,709	916,000 in 57,745,862 42%
18	175,943,909	135,891,090	123,380,907	81,629,447	1,542,000 in 59,802,859 48%
25	176,620,187	136,015,848	113,775,310	76,637,084	1,542,000 in 59,754,547 48%
Aug. 1	173,069,229	137,216,190	145,711,828	77,625,368	1,542,000 in 57,044,124 48%
8	174,436,654	137,777,830	117,445,253	75,759,799	1,542,000 in 58,103,437 50%
15	174,147,577	135,794,140	115,705,799	75,759,799	1,542,000 in 58,103,437 50%
22	174,823,269	134,920,590	114,536,932	73,062,113	1,542,000 in 59,652,619 52%
29	175,867,362	135,441,400	114,533,334	72,584,429	1,041,000 in 60,175,962 52%

BANKERS' CLEARING RETURNS (000's omitted).

	Town.	Metropolitan.	Country.	Total.
1928.				
January 1 to Aug. 15	24,665,044	1,171,440	1,918,423	27,754,907
Week ended Aug. 22	737,557	32,685	54,758	824,900
Week ended Aug. 29	685,870	28,664	46,548	761,082
Total to date 1927	26,088,471	1,232,189	2,019,721	29,260,381
Do 1928	24,441,089	1,176,727	1,979,453	27,597,269
Increase or decrease in 1928	+ 1,647,382	+ 56,462	+ 40,268	+ 1,664,112
	6.4%	4.6%	2.0%	6.0%
Total for year 1927	36,819,682	1,758,032	2,972,827	41,550,541
Total for year 1928	35,246,429	1,660,757	2,817,885	39,725,071
Increase or decrease in 1927	+ 1,473,253	+ 97,775	+ 154,942	+ 1,725,487
	4.1%	5.6%	5.4%	4.3%

PROVINCIAL CLEARING RETURNS.

	Month of July.			Aggregate Weekly Totals to Aug. 25.	
	1927.	1928.	%	1927.	1928.
Number of Working Days	26	26		£	£
BIRMINGHAM	11,823,000	11,059,000	- 1.9	86,670,400	90,522,100
BRADFORD	6,666,000	6,625,000	- 0.6	50,000,000	50,000,000
BRISTOL	5,301,000	5,522,000	+ 4.1	39,314,000	40,884,000
DUBLIN	3,995,000	3,987,000	- 0.2	30,418,400	30,504,700
HULL	5,945,000	4,494,000	- 24.4	35,884,100	33,166,400
LEEDS	4,194,000	4,084,000	- 0.4	27,415,000	28,266,000
LIVERPOOL	35,690,000	37,362,000	+ 4.8	279,947,400	283,587,700
MANCHESTER	59,063,000	57,854,000	- 2.0	458,934,600	454,774,900
NEWCASTLE-ON-TYNE	6,443,000	6,035,000	- 6.3	51,904,400	49,034,000
NOTTINGHAM	2,310,000	2,399,000	+ 3.8	18,174,600	18,226,400
SHEFFIELD	5,102,000	4,122,000	- 19.1	36,864,000	35,067,800
Total	146,337,000	143,143,000	- 2.1	..	..

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Greece appeared in the Economist of July 7; Canada in July 28; Denmark in August 11; Russia in August 18; Lithuania, Danzig and Egypt in August 25.

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

	Aug. 30, 1928.	Aug. 23, 1928.	Aug. 16, 1928.	Aug. 9, 1928.	Sept. 1, 1927.
Resources					
Total gold reserves	2,618,810	2,613,930	2,612,590	2,602,420	2,597,920
Total bills discounted	1,038,470	1,037,450	1,042,530	1,061,200	1,050,520
Bills bought in open mkt.	184,300	183,600	189,900	181,850	183,150
Total U.S. Govt. securities	208,930	209,510	206,410	207,870	207,870
Total bills and securities	1,431,630	1,429,510	1,439,840	1,451,920	1,441,540
Total resources	4,941,250	4,954,310	5,028,750	4,997,780	4,945,390
LIABILITIES					
Federal Reserve notes in actual circulation	1,651,003	1,641,970	1,638,620	1,627,590	1,676,440
Deposits—Member bank—reserve account	2,268,680	2,280,550	2,285,180	2,265,610	2,298,830
Total deposits	2,324,680	2,355,630	2,349,490	2,341,410	2,311,280
Capital paid in and surplus	378,180	378,170	378,610	378,590	359,500
Total liabilities	4,941,250	4,954,310	5,028,750	4,997,780	4,945,390
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	69.5%	69.6%	69.7%	69.5%	73.3%

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

	Aug. 30, 1928.	Aug. 23, 1928.	Aug. 16, 1928.	Aug. 9, 1928.	Sept. 1, 1927.
Total bills discounted	282,520	314,030	274,580	329,390	106,190
Bills bought in open mkt.	45,040	41,690	50,390	32,170	77,810
Total U.S. Govt. securities	35,290	26,610	25,690	28,530	83,140
Total bills and securities	373,500	382,820	351,190	390,060	277,140
Deposits—Member bank—reserve account	877,230	879,520	877,780	863,960	892,810
Ratio of total res. to dep. and Federal Res. note liabilities combined	74.3%	73.8%	75.5%	72.7%	82.1%

NETHERLANDS BANK.—In florins (000's omitted).

	Aug. 20, 1928.	Aug. 13, 1928.	Aug. 6, 1928.	July 30, 1928.	Aug. 22, 1927.	Position May 30, 1914.
Gold	434,922	434,925	434,926	434,926	386,333	163,092
Silver	23,368	23,119	22,923	23,379	28,536	8,435
Discts. and advances	360,232	355,001	360,190	358,593	407,933	153,504
LIABILITIES						
Notes in circulation	793,579	796,023	810,720	810,403	788,733	316,632
Deposits	44,007	35,678	29,653	36,612	47,416	5,013

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	Aug. 3, 1928.	July 27, 1928.	July 20, 1928.	July 13, 1928.	July 6, 1928.	Aug. 5, 1927.
ASSETS						
Total securities	21,145	21,057	21,057	21,057	21,057	21,057
Gold and silver	12,204	12,204	12,204	12,204	12,204	12,204
Other securities	26,701	26,701	26,701	26,701	26,701	26,701
Foreign bills	3,527	3,527	3,527	3,527	3,527	3,527
Foreign bills	34,20	34,20	34,20	34,20	34,20	34,20
Dead stock	2,813	2,813	2,813	2,813	2,813	2,813
Bank with other banks	24,53	24,53	24,53	24,53	24,53	24,53
Cash	21,223	21,223	21,223	21,223	21,223	21,223
LIABILITIES						
Capital paid up	5,625	5,625	5,625	5,625	5,625	5,625
Reserve	5,170	5,170	5,170	5,170	5,170	5,170
Total deposits	79,407	79,407	79,407	79,407	79,407	79,407
LIABILITIES						
Deposits in London	1,107	989	1,059	1,078	1,161	944
Deposits in India	964	962	978	1,000	980	899
Cash, &c., at other Banks in London	182	140	168	165	256	94

BANK OF FRANCE.—In francs (000's omitted).

	Aug. 24, 1928.	Aug. 17, 1928.	Aug. 10, 1928.	Aug. 3, 1928.
ASSETS				
Gold	30,361,675	30,269,449	30,251,317	30,093,386
Foreign assets	14,064,322	13,567,884	14,495,689	16,810,426
Sight deposits	17,173,435	16,916,625	16,044,577	13,604,794
Commercial bills discounted at home	3,306,652	2,199,585	2,310,899	2,685,656
Advances against security—To the State	9,180,000	9,130,000	9,130,000	9,130,000
Other advances	1,938,695	2,006,570	2,001,599	2,032,112
Other assets (excluding forward exchange)	2,832,818	2,934,468	3,133,548	2,656,663
LIABILITIES				
Notes in circulation	60,316,951	60,553,057	60,923,659	61,345,323
Public deposits	10,118,760	10,707,343	10,231,592	9,037,962
Private deposits	6,637,831	4,569,484	4,791,957	5,342,284
Other liabilities	1,388,964	1,393,688	1,429,221	1,498,487

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	Aug. 3, 1928.	July 27, 1928.	July 20, 1928.	July 13, 1928.	July 6, 1928.	Aug. 6, 1927.
ASSETS						
Gold coin and bullion	7,858	7,820	7,718	7,820	7,875	7,489
Subsidiary coin	54	55	61	57	67	196
Bills discounted	8,519	8,673	8,324	8,526	8,692	6,911
Investments	596	596	596	596	596	573
LIABILITIES						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	593	593	593	593	593	423
Notes in circulation	9,004	8,476	7,865	8,158	8,656	8,122
Government deposits	1,333	1,758	2,059	1,938	1,430	827
Bankers' deposits	5,350	5,010	4,976	4,769	5,146	5,127
Ratio of cash reserves to liabilities to public	49.0%	49.0%	51.4%	49.7%	50.6%	53.3%

THE REICHSBANK.—In Reichsmarks* (000's omitted).

	Aug. 23, 1928.	Aug. 15, 1928.	Aug. 7, 1928.	Aug. 23, 1927.
ASSETS				
Reichsbank shares not yet issued	177,212	177,212	177,212	177,212
Gold and bullion	2,240,909	2,240,915	2,231,999	1,831,235
Of which deposited abroad	85,626	85,626	85,626	66,543
Of which in foreign currencies	211,412	217,003	214,554	167,939
Bills of exchange and cheques	1,972,311	2,006,068	2,131,564	2,092,555
Silver and other coin	111,371	103,080	90,807	95,348
Notes of other German banks	27,181	23,693	18,657	28,740
Advances	27,136	61,702	29,680	24,957
Investments	93,819	93,820	91,822	92,261
Other assets	560,938	572,286	587,468	535,472
LIABILITIES				
Reduced capital	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued)	177,212	177,212	177,212	177,212
Reserve	284,205	284,295	284,205	243,393
Notes in circulation	3,969,597	4,134,369	4,348,439	3,406,878
Other daily maturing obligations	631,993	540,713	588,461	711,270
Other liabilities	236,451	236,492	231,645	381,178

* Equal to one billion paper marks or one Rentenmark.

The gold reserve is calculated in accordance with the new legal prescription of one pound of fine gold equals 1,392 Reichsmarks.

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).

	Aug. 23, 1928.	Aug. 16, 1928.	Aug. 9, 1928.	Aug. 2, 1928.	Aug. 25, 1927.	Position May 23, 1914.
ASSETS						
Gold	801,749	804,415	805,255	805,227	658,233	(b)
Foreign Bills and Balances Abroad	486,119	477,688	473,112	468,316	445,078	232,650
Silver & other coin	2,849	2,781	2,708	2,708	1,050	
Securities	560,355	549,157	545,475	539,966	470,665	697,600
LIABILITIES						
Notes in circulation	2,177,595	2,183,117	2,183,535	2,185,149	1,923,216	934,150
Current accounts	106,839	75,039	74,364	71,799	83,302	112,125

(b) In thousand francs.

BANK OF JAYA.—In florins (000's omitted).

BANK OF CANADA						
Assets.	Aug. 25, 1928.	Aug. 18, 1928.	Aug. 11, 1928.	Aug. 4, 1928.	Aug. 27, 1927.	Position May 30, 1914.
Gold	126,800	127,000	127,400	127,400	124,280	22,971
Silver					19,778	29,785
Discounts, advances, and other investments.....	154,000	154,200	153,100	153,400	169,820	77,567
LIABILITIES.....						
Notes in circulation.....	316,300	318,600	319,400	314,900	325,275	109,499
Deposits and bills payable.....	54,300	51,400	52,700	56,800	69,309	11,250

LONDON RATES.

	Aug. 23, 1928.	Aug. 24, 1928.	Aug. 25, 1928.	Aug. 27, 1928.	Aug. 28, 1928.	Aug. 29, 1928.	Aug. 30, 1928.
Bank rate (changed from 5% April 21, 1927).....	4½	4½	4½	4½	4½	4½	4½
Market rates of discount—							
60 days' bankers' drafts.....	4½	4½	4½	4½	4½	4½	4½
3 months' do.....	4½	4½	4½	4½	4½	4½	4½
4 months' do.....	4½	4½	4½	4½	4½	4½	4½
6 months' do.....	4½	4½	4½	4½	4½	4½	4½
Discount (Treasury Bills)—							
2 months.....	4½	4½	4½	4½	4½	4½	4½
3 months.....	4½	4½	4½	4½	4½	4½	4½
Loans—Day to day.....	4½	4½	4½	4½	4½	4½	4½
Short.....	4½	4½	4½	4½	4½	4½	4½
Deposit allowance: Banks.....	4½	4½	4½	4½	4½	4½	4½
Discount houses at call.....	4½	4½	4½	4½	4½	4½	4½
At notice.....	4½	4½	4½	4½	4½	4½	4½

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

Comparison with previous weeks:—

		Bank Bills.			Trade Bills.		
		3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
Aug. 1928.	Short Loans.						
9.....	%	%	%	%	%	%	%
15.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
23.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
30.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2

OVERSEAS BANK RATES.

	Changed.	%	Oslo	Changed.	%
Amsterdam.....	Oct. 12, 1927	4½	Mar. 26, 1928	5½	
Athens.....	June 7, 1927	10	Jan. 19, 1928	3½	
Belgrade.....	July 26, 1921	6	Mar. 8, 1927	5	
Berlin.....	Oct. 5, 1927	7	Jan. 9, 1928	5½	
Brussels.....	June 30, 1928	4	Jan. 2, 1928	5½	
Bucharest.....	Sept. 4, 1920	6	Riga	April 1, 1928	1½
Budapest.....	Aug. 26, 1926	5	Rome	Aug. 27, 1928	5½
Calcutta.....	July 19, 1928	5	Sofia	Aug. 5, 1924	10
Copenhagen.....	June 23, 1927	5	Stockholm.....	Aug. 24, 1928	4½
Danzig.....	June 20, 1927	6	Swiss Bank		
Helsingfors.....	Aug. 7, 1928	6½	places.....	Oct. 22, 1925	3½
Kyova.....	Feb. 8, 1925	7	Tokio.....	Oct. 18, 1927	5½
Lisbon.....	July 28, 1926	8	Vienna.....	July 16, 1928	6½
New York Federal Reserve.....	July 12, 1928	5	Warsaw.....	May 13, 1927	8
Madrid.....	Mar. 23, 1923	5	Irish.....	Apr. 21, 1927	5½

Central Bank of Chile.—Discount rate for member banks, 6½%; discount rate for the public, 7½%.
 6½% applied to banks, &c., charging not more than 11% p.a. for their loans.
 7½% applied to banks, &c., charging more than 11% p.a. for their loans.

RATES OF EXCHANGE.

London on	Usance	Par.	Sept. 2, 1927.	Aug. 23, 1928.	Aug. 30, 1928.
New York.....	dollars to £1	4.866	4.866	4.855	4.855
Montreal.....	dollars to £1	4.866	4.866	4.855	4.855
Paris.....	francs to £1	124.21	123.93	124.20	124.20
Berlin.....	marks to £1	20.43	20.42	20.36	20.36
Amsterdam.....	florins to £1	12.107	12.13	12.103	12.103
Brussels.....	belgas to £1	35.00	34.91	34.89	34.90
Milan.....	lire to £1	92.48	89.8	92.65	92.65
Berne.....	francs to £1	25.22	25.21	25.20	25.19
Oslo.....	kroner to £1	18.159	18.15	18.18	18.18
Stockholm.....	kroner to £1	18.159	18.15	18.18	18.18
Copenhagen.....	kroner to £1	18.159	18.15	18.18	18.18
Madrid.....	pesetas to £1	25.22	28.72	29.10	29.22
Lisbon.....	escudo to £1	4.50	24.48	107	107
Vienna.....	schillings to £1	34.58	34.47	34.40	34.41
Prague.....	krone to £1	24.02	16.38	16.38	16.38
Belgrade.....	dinars to £1	25.22	27.68	27.68	27.68
Budapest.....	pengo to £1	27.82	27.76	27.82	27.82
Bukarest.....	lei to £1	25.22	785	792	794
Sofia.....	leva to £1	25.22	670	670	670
Athens.....	drachmas to £1	25.22	367	374	374
Constantinople.....	liras to £1	110	555	555	555
Warsaw.....	zlotys to £1	43.38	43.44	43.3	43.3
Helsingfors.....	F. marks to £1	135.23	135.3	135.2	135.2
Kyova.....	lits to £1	48.66	48.93	48.2	48.2
Reval.....	Kron to £1	18.159	18.00	18.09	18.09
Riga.....	lats to £1	25.22	25.15	25.15	25.15
Alexandria.....	piastres to £1	97	97	97	97
Buenos Aires.....	pesos to £1	47.62	47.62	47.62	47.62
Rio de Janeiro.....	pesos to £1	90 days	16	52	52
Montevideo.....	pesos to £1	90 days	16	52	52
Valparaiso.....	dollars to £1	90 days	16	52	52
Lima.....	Eng. to Per. £1	90 days	par	25.22	25.22
Calcutta.....	rupee	T.T.	18	18	18
Bombay.....	rupee	T.T.	18	18	18
Madras.....	rupee	T.T.	18	18	18
Hong Kong.....	ster. to dollar	T.T.	2.48	2.48	2.48
Shanghai.....	ster. to tael	T.T.	2.48	2.48	2.48
Singapore.....	ster. to dollar	T.T.	2.48	2.48	2.48
Kobe.....	ster. to yen	T.T.	2.48	2.48	2.48
Manila.....	ster. to peso	T.T.	2.48	2.48	2.48
Mexico.....	pesos to £1	T.T.	2.48	2.48	2.48

* As from Oct. 13. † Rate for previous day. ‡ Pence to escudo.
 (An official stabilisation at 200-300 dollars to 100 krona, i.e., approximately 162½ krona to £1.)

CURRENT RATES IN NEW YORK.

The American Exchange Irving Trust Company cable the following money and exchange rates in New York:—

	Sept. 1, 1927.	July 31, 1928.	Aug. 3, 1928.	Aug. 15, 1928.	Aug. 22, 1928.	Aug. 29, 1928.
Call money.....	5½	6	6	6	6	6
Time money (90 days mixed coll).....	4	6	6	6	6	6
Bank acceptances:—						
Members—eligible, 90 days.....	3½	4	4	4	4	4
Non mem.—eligible, 90 days.....	3½	4	4	4	4	4
Ineligible, 90 days.....	3½	4	4	4	4	4
Commercial accept. 90 days.....	4	5	5	5	5	5

Rates of Exchange.	Par Level.	Sept. 1, 1927.	Aug. 15, 1928.	Aug. 22, 1928.	Aug. 29, 1928.
London—					
60 days.....	Dollars for £1	4.866	4.811	4.811	4.811
Cable.....			4.855	4.855	4.855
Cheques.....			4.855	4.855	4.855
Paris.....	Cents for 1 franc	19.30	3.318	3.308	3.308
Brussels.....	Cents for 1 franc	13.90	13.91	13.905	13.90
Switzerland.....	Cents for 1 franc	19.30	19.273	19.241	19.241
Italy.....	Cents for 1 lire	19	5.4150	5.222	5.222
Berlin.....	Cents for 1 mark	23.81	23.77	23.803	23.81
Vienna.....	Cts. for Austr. shlg.	14.07	14.10	14.10	14.10
Madrid.....	Cents for 1 peseta	19.30	16.925	16.66	16.61
Amsterdam.....	Cents for 1 guilder	40.195	40.84	40.87	40.86
Copenhagen.....	Cents for 1 kroner	26.80	26.753	26.67	26.67
Stockholm.....	Cents for 1 krona	26.80	26.753	26.67	26.67
Athens.....	Cents for 1 drachma	19.30	1.32	1.292	1.2925
Montreal.....	Can. Cents for \$1	100	47.25	44.87	44.85
Yokohama.....	Cents for 1 yen	49.45	47.25	44.87	44.85
Hong Kong.....	Cents for H. Kong \$	..	48.05	49.90	50.00
Shanghai.....	Cents for 1 Shing. tael	..	60.125	65.13	65.13
Calcutta.....	Cents for 1 rupee	..	36.23	36.22	36.25
Buenos Aires.....	One peso	103.65	103.604	104.430	104.430
Rio de Janeiro.....	Cents for 1 milreis	32.42	11.84	11.93	11.92
Valparaiso.....	Cents for 1 peso	12.166	12.125	11.98	11.93

† Gold pesos for \$100.

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.		Union of South Africa.	
	From February 6, 1928.		From February 6, 1923.	
	London on South Africa.		South Africa on London.	
	Buying.	Selling.	Buying.	Selling.
T.T.	1 1/2 % dis.	1 1/2 % dis.	par to 1 1/2 % pm.	1 1/2 % prem.
Demand	1 1/2 % " "	1 1/2 % " "	1 1/2 % dis.	1 1/2 % " "
30 days	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "
60 days	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "
90 days	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "
120 days	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "	1 1/2 % " "

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Limited, quotes the following rates of exchange:—

Country.	Method of Quoting.	Par Value.	Usance.	Rate.
Buenos Aires.....	Sucres to £	24.325	Sight London	24.38
Venezuela.....	Bolivares to £	25.25	"	25.52
Colombia (Bogota).....	Pesos to £	100	"	100.00
Nicaragua.....	Cordobas to £	4.8665	"	4.92
Salvador.....	Colonos to £	9.73	"	9.86
Bolivia.....	Pence to Boliviano	19.20	90 days	18

OVERSEAS DOMINIONS RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.				Australia and New Zealand on London.			
	Buying.		Selling.		Buying.		Selling.	
	Aus- tra- lia.	New Zeal'nd	Aus- tra- lia.	New Zeal'nd	Aus- tra- lia.	New Zeal'nd	Aus- tra- lia.	New Zeal'nd
T.T.	..	..	99½	99½	..	..	101	100½
Demand	98½	98½	99½	99½	99½	99½	100½	100½
30 days	97½	97½	..	..	99½	99½	100½	100½
60 days	97	97½	..	..	98½	98½	99½	99½
90 days	96½	96½	..	..	98½	98	..	98½

BULLION.

The following statistics of imports and exports of gold for week ended August 30, 1928, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.	Exported from Great Britain and Northern Ireland.
From—	To—
U.S. of America.....	Denmark.....
Venezuela.....	Poland (inc. Danzig).....
Irish Free State.....	Germany.....
British South Africa.....	Netherlands.....
Straits Settlements and Dependencies.....	France.....
Australia.....	Switzerland.....
Other Countries.....	Italy.....
	Austria.....
	Hungary.....
	Roumania.....
	Gibraltar.....
	British India.....
	Straits Settlements.....
	Other countries.....
Total declared value of imports.....	Total declared value of exports.....
1,558,390	1,377,639

GOLD MOVEMENTS.

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follow:—

1928.	ARRIVALS.	1928.	WITHDRAWALS.
Aug. 24.....	£ nil	Aug. 24.....	£ nil
" 25.....	" 500,000	" 25.....	" 104,000
" 26.....	" 1,000,000	" 26.....	" 152,000
" 27.....	" 1,000,000	" 27.....	" 115,000
" 28.....	" 1,000,000	" 28.....	" 12,000
" 29.....	" 1,000,000	" 29.....	" 12,000
" 30.....	" 1,000,000	" 30.....	" 12,000
Total.....	1,500,000	Total.....	423,000
	Net arrivals, £1,077,000.		

Messrs Samuel Montagu and Co. write on August 29th as follows:—

GOLD.

The Bank of England gold reserve against notes amounted to £172,071,775 on the 22nd instant (as compared with £171,439,445 on the previous Wednesday), and represents an increase of £18,165,460 since April 29, 1925—when an effective gold standard was resumed. No gold being available in the open market this week, demand has been met by withdrawals from the Bank of England, most of which are understood to be on behalf of Germany.

All the withdrawals were in bar gold. There was a net influx of gold of £1,081,000 during the week under review. The receipt of £500,000 on the 27th inst was in sovereigns from South Africa, and that yesterday of £1,000,000 consisted of sovereigns from Australia. The latter is the only consignment from that quarter of any consequence since the war. Before that event sovereigns arrived periodically in considerable quantities, and, consisting of new minted coin, usually commanded a premium for re-export. The arrival of this parcel has taken most of the Australian banks by surprise, as there appears to be no particular inducement for such an operation. Whether it was originally intended for London, or for India and diverted on the way because the market there could not absorb at once so substantial a parcel, is not yet clear. In any case it is a welcome reinforcement of the Bank of England Reserve.

SILVER.

During the week the market developed weakness and the price for cash touched 26½d on the 27th inst. This is the lowest figure since May 5th, when the quotation was 26½d. The cause has been the continual flow of demonetised coin which, when refined, has created larger spot supplies than the market can conveniently absorb. Hence the difference between the prices for cash and forward delivery has widened to ¾d. The last occasion when the quotation for two months' delivery commanded so high a premium was September 9, 1926. Business has been fairly active, China being the chief buyer, though bears have taken advantage of the fall to cover some of their commitments. India has again been more of a seller than a buyer, and America has usually been disposed to supply the market at current rates.

The following were the United Kingdom imports and exports of silver registered from mid-day on the 20th instant to mid-day on the 27th instant:—Imports.—Germany, £18,319; France, £72,225; U.S.A., £19,310; Mexico, £126,000; British West Africa, £11,503; other countries, £5,666; total, £253,023. Exports.—Miscellaneous, £9,239.

INDIAN CURRENCY RETURNS.

(In Lacs of Rupees.)

	Aug. 7.	Aug. 15.	Aug. 22.
Notes in circulation.....	18,081	18,157	18,209
Silver coin and bullion in India ..	10,300	10,379	10,431
Silver coin and bullion out of India ..	2,976	2,976	2,976
Gold coin and bullion in India ..	2,976	2,976	2,976
Gold coin and bullion out of India ..	4,273	4,270	4,270
Securities (Indian Government) ..	532	532	532
Securities (British Government) ..	532	532	532

The stock in Shanghai on the 25th instant consisted of about 47,600,000 ounces in sycee, 86,000,000 dollars and 8,340 silver bars, as compared with about 47,600,000 ounces in sycee, 89,100,000 dollars, and 5,820 silver bars on the 18th instant.

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce.		Date.	Silver. Cash.
	s d	d	d		d
1928.					
Aug. 24....	84 11 ¹ / ₂	27	27 ¹ / ₁₆	Sept. 8, 1922..	35 ¹ / ₂
25....	84 11 ¹ / ₂	26 ¹⁵ / ₁₆	27 ¹ / ₁₆	7, 1923..	31 ¹ / ₂
27....	84 11 ¹ / ₂	26 ¹⁵ / ₁₆	27	5, 1924..	34 ¹ / ₁₆
28....	84 11 ¹ / ₂	26 ¹⁵ / ₁₆	27	4, 1925..	33 ¹ / ₁₆
29....	84 11 ¹ / ₂	26 ¹ / ₂	27 ¹ / ₁₆	3, 1926..	28 ¹ / ₁₆
30....	84 11 ¹ / ₂	26 ¹ / ₂	27 ¹ / ₁₆	10, 1927..	25 ¹ / ₁₆

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Pay- ment of Deben- ture Interest.	Amount Avail- able for Distri- bution.	Appropriation.						Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.	
					Prefce.	Ordinary.						
						Amount.	Amount.					Rate.
Breweries.		£	£	£	£	£	%	£	£	£	%	
Kay's Atlas	June 30	35,366	16,233	51,599	3,167	10,000	10	2,000	36,432	19,750	12½	
Iron, Coal, and Steel.												
R. and W. Hawthorn, Leslie & Co.	June 30	17,568	20,021	37,589	..	21,496	3	..	16,093	..	..	
Wellman, Smith, Owen Eng. Corp.	Dec. 31	1,835	Dr 11,849	Dr 13,684	..	..	..	Dr 97½	Dr 10,677	..	..	
Motor and Cycle.												
Singer and Co.	July 31	41,550	171,223	212,773	..	133,352	20 ½	10,000	69,421	140,365	25	
Rubber, &c.												
Djaboong (Java)	Mar. 31	3,563	10,979	14,542	..	3,264	10	7,500	3,778	11,350	25	
Other Companies.												
United Indigo and Chemical	June 30	15,282	21,067	36,349	13,125	7,656	8½	..	15,568	21,893	8½	

t Singer and Co.—Dividend of 25 per cent. paid for 1926-27 absorbed £104,181.

Reports and Notices.

The directors of the Standard Bank of South Africa, Limited, announce, with great regret, that their colleague, Mr J. P. Gibson, finds it imperative for reasons of health to resign from the board of the bank. In accordance with medical advice, Mr Gibson is returning to live in South Africa, and sails for Cape Town on September 14th.

The Sun Life Assurance Company of Canada announce that from to-day its administrative office for the British department will be moved from Sun of Canada House, Victoria Embankment, London, W.C.2, into its newly-erected headquarters for the United Kingdom at 2, 3 and 4 Cockspur street, London, S.W. 1. Telephone: Gerrard 9691.

Mr Bulmer Howell, of Messrs Neish Howell and Haldane, solicitors, 47, Watling street, E.C. 4, has retired from the London board of the Scottish Union and National Insurance Company. To fill the vacancy, Mr Owen Bulmer Howell, of the same firm, has been appointed to the board.

Mr Kenneth Anderson, of Perry and Co. (Roads), Limited, and Colprovia, Limited, has joined the staff of Oil Trust (1927), Limited, as representative and sales agent for their Cuban asphalt products.

BANKS.

BANK FOR RUSSIAN TRADE, LIMITED.—The balance-sheet dated June 30, 1928, shows total assets £7,354,853. Cash in London amounts to £501,683, while cash with banks abroad stands at £454,492. Loans at call amount to £250,000. Bills receivable stand at £715,746. Investments in British Government securities amount to £456,750. Loans, advances, &c., stand at £521,821. Acceptances are at £3,862,738, and bills stand at £591,623. With regard to liabilities, the issued capital stands at £550,000. Reserve is at £175,000. Deposits amount to £1,683,326.

MISCELLANEOUS.

ASSOCIATED GAS AND ELECTRIC COMPANY.—The company's gross earnings for 1927 increased 21 per cent. over 1926 to £35,296,741, its net earnings, after operating expenses, maintenance, and taxes, increased 24 per cent. to £17,032,086, and the balance available for the Class A stock, other dividends and surplus increased to £2,805,145, a gain of 11 per cent. from the total of £2,537,491 reported for 1926. The balance-sheet of the system shows total assets of £312,701,682, compared with £255,161,569 at the close of 1926. The consolidated balance-sheet as of May 31, 1928, showed current assets of £32,136,009, as against £15,869,086

on December 31, 1927. This compared with total current liabilities of £12,924,935 and £27,048,860 respectively, leaving net working capital at May 31, 1928, of £19,211,074. The most recent comparative earning statement of the system, covering the twelve months ended May 31, 1928, shows gross earnings and other income of £42,006,909, an increase of 32 per cent. over the preceding twelve months, net earnings, after operating expenses, maintenance, and all taxes of £18,167,902, an increase of 24 per cent., and a balance for dividends and surplus after provision for replacements, renewals, and depreciation of £6,101,892, an increase of 29 per cent.

GREAT NORTHERN INVESTMENT TRUST, LIMITED.—At an extraordinary general meeting of the Great Northern Investment Trust, to be held on September 4th, resolutions will be submitted to increase the company's capital to £2,000,000 by the creation of 100,000 shares of £10 each. The new shares when fully paid will be converted and sub-divided into six £1 preference shares and four £1 ordinary shares, and subsequently converted into preference and ordinary stock. A statement will be submitted at the meeting as to the board's intentions with regard to the issue at an early date of part of the proposed additional capital.

MIDDLE WEST UTILITIES COMPANY.—We are informed that a banking group headed by Halsey, Stuart and Co., New York, is offering for public subscription an issue of \$30,000,000 Middle West Utilities Company 5½ per cent. serial notes at prices yielding from 5.625 to 6 per cent. The proceeds from the sale of these notes, maturing serially from 1929 to 1931, will be used principally towards reimbursing the company's treasury for funds used in the development of subsidiaries and for general corporate purposes. The issue represents the only funded debt of the company, whose various stocks have a present combined market value of over \$190,000,000.

NEW SOUTH WALES GOVERNMENT RAILWAYS AND TRAMWAYS.—The Railway Commissioners for New South Wales have presented to the State Government their report on the working of the Government railways and tramways for the quarter ended March 31, 1928. The principal details are as under:—

Railways.	Quarter Ended		Quarter Ended
	March 31, 1927.	March 31, 1928.	
Miles open	5,750	5,868½	
Revenue—			
Passenger	£2,207,314	2,362,332	
Merchandise	£2,561,198	2,312,703	
Expenditure	£3,286,744	3,387,830	
Train miles run	6,527,961	6,680,989	
Earnings per train mile	14/7½	14/	
Expenditure per train mile	10/0½	10/1½	
Percentage—Expenditure to earnings	68.93	72.47	
Number of passengers	36,010,338	36,589,696	
Tonnage of goods traffic	1,506,209	1,227,275	
Tonnage of coal and coke	1,698,726	1,573,624	
Tonnage of other minerals	599,050	551,400	
Tonnage of live stock traffic	196,620	212,598	
Tramways.			
Miles open	228½	209½	
Revenue	£1,000,201	1,205,969	
Expenditure	£842,261	973,022	
Train miles run	8,573,482	8,622,714	
Earnings per tram mile	2/4	2/9½	
Expenditure per tram mile	1/1½	2/3	
Percentage—Expenditure to earnings	84.21	80.68	
Number of passengers carried	88,135,639	88,335,147	

SECOND ALLIANCE TRUST COMPANY, LIMITED.—The directors of the Second Alliance Trust Co., Limited, have resolved to recommend the declaration of a dividend on the ordinary stock for the year ended July 31st last at the rate of 20 per cent. per annum (against 19 per cent. last year), subject to deduction of income-tax. If circumstances remain unaltered they propose to pay the interim dividend for the current year at the rate of 21 per cent. per annum. Subject to the passing of certain necessary resolutions, they further propose to make an issue to the ordinary shareholders of 30,000 shares of £1 each, to be subsequently converted into ordinary stock on terms to be settled and announced later.

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

		Week ended Aug. 25, 1928.						Aggregate 34 Weeks, 1928.						
		(000's omitted.)						(000's omitted.)						
(b) Week ended Aug. 24, 1928.	(c) Week ended Aug. 25, 1928.	Miles Open.	Passen- gers, &c.	Merchan- dise, &c.	Coal and Coke.	Total Goods.	Total for Week.	Passen- gers, &c.	Merchan- dise, &c.	Coal and Coke.	Total Goods.	Total Receipts.		
			£	£	£	£	£	£	£	£	£	£		
Great Western ..		3,779	335	225	118	343	678	8,734	7,384	3,808	11,192	19,926		
Do for 1927 ..		3,779	532	228	120	348	680	8,893	7,759	4,318	12,077	20,970		
Lon.&N.-Eastn.(c)		6,406	483	398	235	634	1,117	13,077	14,166	8,138	22,304	35,381		
Do for 1927 ..		6,406	489	439	246	677	1,166	13,602	15,096	8,685	23,781	37,383		
Lon&.Mid.&Scot.		6,952	711	558	251	812	1,523	20,000	19,319	8,480	27,799	47,799		
Do for 1927 ..		6,952	723	566	261	867	1,590	20,399	20,777	9,658	30,445	50,844		
Southern ..		2,177	425	78	34	112	537	11,406	2,678	922	3,600	15,006		
Do for 1927 ..		2,177	424	86	31	117	541	11,524	2,929	1,122	4,051	15,579		
Metropolitan (c)		59	31.4	..	..	..	35.0	1,085.3	..	..	..	1,165.6		
Do for 1927 ..		59	30.6	..	..	..	3.7	1,035.0	..	..	129.6	9,731.8		
†Und'rg'rd'nd.E.C		..	..	..	..	..	27.7	..	..	..	..	8,828.4		
†Do for 1927 ..		..	..	..	..	..	257.7	..	..	..	..	1,420.1		
Lon.&Sub'urb'up		..	..	..	..	..	41.7	..	..	..	..	1,315.4		
Do for 1927 ..		..	..	..	..	..	39.3	..	..	..	22.7	1,213.7		
Bl'f&St&Co.'d'wn b		80	4.4	..	..	0.9	5.3	97.6	..	..	..	543.5		
Great Northern b		562	18.3	..	..	14.6	33.9	466.1	..	..	..	2,685.2		
Great Southern b		2,187	42.1	..	..	47.5	89.6	1,094.1	..	..	1,591.2	..		

† Includes receipts from independent omnibuses acquired during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1928.	+ or -	1928.	+ or -
INDIAN.							
Assam Bengal	17 weeks	July 28	1,111	Rs. 3,78,025	+ 11,244	Rs. 69,21,639	+ 2,59,638
Barelly Lt. Ry.	18 weeks	Aug. 4	118	58,994	+ 42,700	9,56,200	+ 3,27,694
Bengal & N. Western ..	18 weeks	Aug. 4	2,679	5,49,326	+ 6,139	1,28,71,381	+ 5,29,493
Bengal-Nagpur	17 weeks	July 28	2,949	11,42,000	+ 2,18,525	2,85,03,452	+ 20,07,560
Bombay, Bar., & C.I. ..	19 weeks	Aug. 18	5,023	15,99,000	+ 1,01,000	4,48,59,000	+ 31,44,000
Burma	17 weeks	July 28	1,348	6,51,835	+ 66,106	1,39,71,508	+ 3,26,474
Madras & S. Mah. Ry.	18 weeks	Aug. 4	3,072	14,70,000	+ 59,511	3,38,62,736	+ 37,50,111
Nizam's Guaranteed ..	18 weeks	Aug. 4	1,018	2,91,919	+ 7,602	1,08,39,398	+ 8,34,527
North Indian	18 weeks	Aug. 4	561	30,818	+ 1,271	24,76,837	+ 5,28,238
South Indian	15 weeks	July 14	2,083	12,34,512	+ 97,499	1,91,39,279	+ 10,56,069
† Including Lucknow-Bareilly State Railway. (s) Total receipts of all lines.							
ARGENTINE (a).							
Argentine N.E.	8 weeks	Aug. 25	753	\$ 4,403	+ 1,000	\$ 118,500	+ 1,400
B.A. and Pacific	8 weeks	Aug. 25	2,599	148,000	+ 10,000	1,250,000	+ 103,000
B.A. Central	8 weeks	Aug. 25	26	14,929	+ 316	115,277	+ 5,538
B.A. Gt. Southern	8 weeks	Aug. 25	4,720	191,000	+ 41,000	1,666,000	+ 292,000
B.A. Western	8 weeks	Aug. 25	1,925	85,800	+ 7,000	700,000	+ 75,000
Central Argentine	8 weeks	Aug. 25	3,505	251,000	+ 6,000	1,996,000	+ 9,000
Cordoba Central	8 weeks	Aug. 25	1,218	75,000	+ 7,000	589,000	+ 26,000
Entre Rios	8 weeks	Aug. 25	728	27,600	+ 4,600	205,600	+ 28,300
CUBAN.							
United of Havana ..	8 weeks	Aug. 25	1,359	\$ 49,670	+ 1,354	\$ 39,848	+ 32,906
† Figures include Havana Central Railway.							
URUGUAYAN.							
Central Uruguay ..	8 weeks	Aug. 25	273	\$ 23,887	+ 2,548	\$ 201,127	+ 7,164
O. Urug. (East. Ex.) ..	8 weeks	Aug. 25	311	4,654	+ 699	33,474	+ 579
O. Urug. (North. Ex.) ..	8 weeks	Aug. 25	155	3,415	+ 345	26,523	+ 2,777
O. Urug. (West. Ex.) ..	8 weeks	Aug. 25	311	2,211	+ 303	17,498	+ 403
CANADIAN.							
Canadian National ..	33 weeks	Aug. 21	19,142	\$ 5,955,809	+ 740,350	\$ 162,610,704	+ 13,420,375
Canadian Pacific	33 weeks	Aug. 21	14,670	4,375,000	+ 660,000	127,354,000	+ 12,055,000
BRAZILIAN (b).							
Gt. West. of Brazil ..	34 weeks	Aug. 25	1,016	\$ 9,600	+ 400	\$ 425,000	+ 14,800
Leopoldina	34 weeks	Aug. 25	1,856	42,896	+ 11,314	1,605,701	+ 241,706
Leopoldina Term.	34 weeks	Aug. 25	25	259,800	+ 10,000	9,337,400	+ 439,400
San Paulo	34 weeks	Aug. 25	1,534	5,388	+ 9,744	1,687,120	+ 177,301
CHILEAN.							
Antofagasta (Chili) ..	34 weeks	Aug. 25	938	\$ 36,050	+ 3,380	\$ 1,144,840	+ 106,010
Nitrato (2-monthly) ..	32 weeks	Aug. 15	402	39,633	+ 1,701	509,963	+ 105,765
OTHER OVERSEAS.							
Alecoy and Gandia ..	34 weeks	Aug. 25	33	\$ 26,000	+ 10,000	\$ 946,200	+ 78,700
Egyptian Delta	18 weeks	Aug. 10	698	47,958	+ 501	93,481	+ 4,006
Gt. South. of Brazil ..	33 weeks	Aug. 18	104	\$ 136,552	+ 4,402	\$ 4,130,529	+ 489,481
Mexican Railway	7 weeks	Aug. 21	432	\$ 215,300	+ 7,700	\$ 1,632,000	+ 48,800
Paraguay Central	8 weeks	Aug. 25	27	\$ 4,410	+ 60	\$ 38,630	+ 2,240
Salvador	8 weeks	Aug. 25	100	\$ 4,030	+ 623	\$ 31,688	+ 1,432

(a) Converted at par. (b) Converted at the current rate of exchange.

TRAMWAY WEEKLY GROSS RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Receipts for Week.		Total Receipts.	
				1928.	+ or -	1928.	+ or -
Anglo-Argentine	34 weeks	Aug. 26	329	\$ 86,710	+ 1,760	\$ 3,014,323	+ 52,518
B. Aires Lauro	8 weeks	Aug. 26	13	\$ 12,255	+ 44	\$ 99,052	+ 1,860
Burnley Corporation ..	8 weeks	Aug. 26	13	\$ 3,022	+ 43	...	...
Calcutta Tramways	8 weeks	Aug. 26	25	\$ 12,710	+ 3,648	...	...
Chatham & District ..	34 weeks	Aug. 26	15	\$ 1,503	+ 6	\$ 42,651	+ 2,769
Egyptian Market	33 weeks	Aug. 26	16	\$ 1,307	+ 52	\$ 56,239	+ 23
Glasgow Corporation ..	11 weeks	Aug. 26	15	\$ 44,418	+ 797	\$ 491,200	+ 5,659
Isle of Thanet Tramways	33 weeks	Aug. 26	15	\$ 2,772	+ 32	\$ 29,974	+ 4,716
Liverpool Corp.	20 weeks	Aug. 26	124	\$ 229,974	+ 2,129	\$ 598,091	+ 26,815
L.C.C. Tramways	21 weeks	Aug. 26	166	\$ 279,600	+ 951	\$ 1,694,970	+ 40,338
Pernambuco Tramway ..	34 weeks	Aug. 26	22	\$ 5,178	+ 160	\$ 183,963	+ 8,635

† Tramway Receipts only.

MONTHLY TRAFFIC RETURNS.

AMERICAN RAILROAD GROSS AND NET RECEIPTS.

This table is extracted from the Commercial and Financial Chronicle of New York.

Date.	Miles of Road.		Gross Earnings.		Net Earnings.	
	1926.	1927.	1927.	Increase or Decrease.	1927.	Increase or Decrease.
			\$	\$	\$	\$

OVERSEAS RECEIPTS.

Name.	Period.	Ending.	Present Mileage.	Receipts for Month.		Aggregate Receipts.	
				1927-28.	+ or -	1927-28.	+ or -
INDIAN.							
Southern Punjab	1 mth	April 30	848	Rs 9,88,019	— 42,948	Rs ..	Rs ..
CANADIAN.							
Canadian Nation	47 mths	July 31	Gross	\$23,291,805	+ 259,240	146,505,331	+ 11,663,325
			Net	\$3,618,447	+ 1,303,137	23,488,823	+ 5,288,669
Canadian Pacific	7 mths	July 31	Gross	\$17,986,000	+ 195,700	115,632,000	+ 10,321,000
			Net	\$3,700,000	+ 573,000	20,152,000	+ 4,013,000
BRAZILIAN.							
State of Bahia	3 mths	July 31	52	\$7,813	— 1,979	17,446	— 2,584
CHILE AND PERU.							
Peruvian Corp...	1 mth	July 31	31,066	\$143,494	+ 1,356	..	..
Taital	1 mth	July 31	172	12,220	+ 870	..	..

THE WOOL TRADE.

Our Bradford correspondent writes:—The market is still very slack, and the actual turnover is very restricted, but taking the industry as a whole there has certainly been more inquiry during the last few days. By the middle of next month users will have a better idea as to how wool values are likely to go. At present there is a good deal of uncertainty, and the reports from Sydney, while somewhat conflicting, seem to bear out the general belief that prices are rather in buyers' favour. There is, however, a certain amount of irregularity, and probably a basis will not be found until the position has been tested in other centres. Merino wool to bring in 64's tops at about 4s per lb would still be at a paying price for the grower, and at such a level it would give spinners and manufacturers a chance to do business with some prospect of making a small profit. Whether that basis is possible, however, depends on the strength of foreign competition in the primary markets; if Japanese and Continental buyers operate on anything like the scale of last year 4's tops will be out of the question. Meanwhile, quotations for tops in Bradford are about steady, with here and there a venturesome spirit willing to accept a low price for forward delivery on the chance that wool may yet decline sufficiently to make such a policy a paying proposition. Yarns are still in poor demand, and prices are very irregular, and even with short time running production appears to be greater than the demand.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

Cables received from Sydney this week indicate some little irregularity in values for wool in that market. The market is still having to be made almost entirely by the competition of Japan and Germany, and French, Belgian, and British buyers are lying low. These three sections of the trade are all convinced that wool must be cheaper before it is safe to buy. This is a reflection of the slackness in manufacturing conditions. There was far more keenness a year ago than is seen to-day, though even then Japan and Germany were chiefly responsible for the values established, and the position of spinners and manufacturers in Bradford and district is worse than it was at the beginning of last season. Wool is being picked up in Sydney at prices which will bring in average 64's tops at 4s 3d, which is about the same as a year ago. It seems as if one section is waiting on another, and any buying done is simply from hand to mouth. A year ago at this time considerable forward buying was done by West Riding spinners, but to-day they all seem to be waiting for lower values to enable them to anticipate their requirements. Forward selling is not being ignored entirely. Judging from the prices accepted some spinners believe they will be able to buy tops against their requirements at even less than current prices.

A private message received this week from East London states that further excellent rains have fallen in the eastern part of Cape Colony, including areas where some very good merino wool is grown. Every part of South Africa would welcome a rainfall of three or four inches, but, generally speaking, South Africa and Australia are experiencing a fairly satisfactory spring. It is expected that the forthcoming clips will be somewhat larger than those of last season, though both will be slightly lower in quality. The first public sales in South Africa should have been held this week at Port Elizabeth, but arrivals have been so small that the sale will probably not be held until September 4th.

THE JUTE TRADE.

Prices of raw jute have displayed a distinctly weaker tendency. In the continued absence of consuming demand, speculators have been unable to maintain their values, and sellers have become much more anxious to meet buyers to induce operations. Spinners have purchased fairly freely at the lower rates, which are about £3 per ton down from the top so far as Daisee and Tossa fibres are concerned. White jute has not fallen to the same extent, and values of First Marks and Lightnings are still considered too dear at £40 to £40 10s for the former and £38 to £38 10s for the latter. Daisee assortment has been sold at £34 17s 6d to £35 5s, threees at £33 12s 6d to £34, and fours at £30 10s to £31, September-October. Spinners have purchased Tossa-3 at £36 10s to £37 5s, and the assortment at £37 10s to £38, September-October. Trade in yarns and cloth is healthy, though now much quieter, but at the rates ruling for the raw material spinners are not doing badly. The speculative element have had the raw material section at their mercy, and have manipulated prices to suit their own ends. They have kept up prices in the belief that a short crop would be forecast on September 18th next and that consumers would be forced to come into the market, but the latter have displayed only a moderate interest in securing their season's requirements so far, and have purchased on much smaller lines than in former seasons. There is no guarantee that prices of raw jute will fall much further, as consuming demand may come on for larger quantities.

Values of jute yarns are very firmly held. Spinners are well foresold, and should be able to adhere to their terms for the remainder of the year at least. Common 8-lb. cops are unobtainable at less than 3s 11d and 8-lb spools at under 4s, which rates have been paid for delivery to the end of December. Spinners do not have a great deal of their production to sell for delivery this year now. Buyers at the moment are not interested in forward delivery, owing to the fall in prices of raw jute, but a fair business has been done for January-February-March at from 3s 10d to 3s 11d for cops and 3s 11d to 4s. for spools. All other yarns are firm, unchanged.

Manufacturers are comfortably placed with orders for jute cloth,

consequently prices are all very firm. In the 40-in. widths delivery cannot be obtained before November at 5½d for 10½-oz 40-in., and at 1½d for 8-oz. In the narrow and wide widths business is possible on the basis of 5d for 10½-oz 40-in., and delivery obtainable much earlier than in the case of 40-in. Buyers are making a good inquiry, but are reluctant to go far ahead for delivery. Linoleum hessians are quiet but firm, and heavy goods are maintaining the recently advanced prices.

Calcutta goods are keeping steady, though less business is being done by the large consuming centres.

HIDE, LEATHER, AND ALLIED TRADES.

The poor demand for sole leather is affecting the demand for hides, as some tanners are already limiting their input. Values in consequence are again slightly weaker, and best ox hides sold at the last Bermondsey auctions from 10d to 10½d per lb, several selections dropping ½d. Provincial prices also show similar falls, although the average prices for best hides are higher than in Bermondsey. Oversea hides are also weaker, but importers state that as stocks continue scarce at origins, values would soon appreciate in the face of a better demand. There is little activity, for instance, in the River Plate, and as Russia and the United States are practically the only buyers at the moment, prices are lower, and best Argentine fregorifics are now quoted at 1½d. Dry hides are also less firm, and B.A. Americanos are now offered at 1½d, following on business done at 1½d. Capes remain fairly steady, 15½d and 16½d being quoted for dry salted firsts and seconds. Latest cables from Chicago report, however, a slight advance in heavy steers, which are now selling at 24 cents.

The turnover in sole bends and butts has fallen very flat, and neither merchants nor manufacturers are large buyers at tanners' quotations. Some even take the view that leather is bound to fall in price, but so far tanners are not in the humour to reduce quotations, as they have their pits full of dear hides; and as stocks of leather in manufacturers' hands are low, tanners seem convinced that it will pay them to hold and wait events. Offal still seems selling well, and anything in shoulders and bellies which will cut a sole is at once snapped up. Export demand remains fairly brisk, while there is still a fair amount of Continental offal coming in.

The trade in upper stock is moderate, with prices firm all round. Black glaze kid is selling well, and patent is also wanted for autumn women's shoes. Colours are slow, with the exception of dark brown tan shades in glaze and willow calf. Prices of rough tanned E.I. kips are weaker, but dressers are not inclined to buy at present rates, as they find a rather poor demand for wax butts and semichrome.

The shoe section is quiet, but it is hoped matters will improve before the advent of the Shoe and Leather Fair, which takes place in October next.

VEGETABLE OILS AND OILSEEDS.

Markets have been a little more animated, but trade generally is still dominated by the holiday feeling. Linseed oil has been in better demand from consumers, but crushers have refused to meet the market at current prices, which are around £27 15s per ton naked ex-Hull mill for spot and August, and £28 September-December. A fair trade in cotton oils is recorded, especially for crude Egyptian, which is steadier at £29 15s ex-Hull, technical refined quoting £33 and common edible £33 15s. Palm kernel, ground nut, and castor oils are easier.

In the oil seed section only a small business in Plate linseed has transpired, present value being £15 3s 9d for afloat and August-September (paid) and £15 5s September-October. Calcutta to London is nominally £17 12s 6d for shipment. The quantity of linseed on passage to Europe is now 171,800 tons, or 10,600 tons more than last week. Cottonseed values have again declined. A few resale parcels of the old Egyptian crop are still on the market. More interest has been shown in the new crop, which is steady around £9 17s 6d for black. Oilcakes are in poor demand and easier.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—The market remains very featureless at the moment. General trade is decidedly quiet, and prices of British standards were mostly reduced by 3d per cwt. Improved consumption, both in Europe and the U.S.A., coincides with ample quantities available, and in this respect Java is a feature. Continental crops now make better progress in the main, but reduced yield is anticipated in Hungary, also Poland, while that of Czecho-Slovakia is not likely to reach last year's total. Holland and Belgium, amongst the smaller

countries, send favourable accounts. A line of Dutch raws sold to the U.K., and is now in process of shipment to Goole. T.L., also Dutch J granulated, quoted 29s 5½d. Czecho granulated, November-December, quoted 13s 6d; Dutch J, ready, 14s 2½d; November-December, 13s 7½d, f.o.b. terms. Polish crystals, November-December, 13s 1½d, f.o.b., Danzig. Refining sugars held steadily, but demand remains slow. Cuban receipts last week 43,950 tons, against 39,810 last year; exports, 76,180, against 79,770; stocks, 864,420, against 835,470. White Terminal slack. August, quoted 13s 9½d to 13s 10½d; October, sold, 13s 10½d to 14s 0½d; December, 14s 1½d to 14s 3d; March, 14s 4½d to 14s 6½d; May, 14s 9d. Stocks of raw sugar in the three chief ports of the United Kingdom amounted to 86,169 tons for week ending, August 25th, compared with 80,290 tons at same period last year.

COFFEE.—Nothing fresh developed in this market. The quiet tone usually associated with this period of the year is fully in evidence, with all attention turned towards useful liquoring kinds. Many of the finer-looking parcels of Costa Rica hang fire, as their attractiveness is only marked in the berry and not the cup. Fine bold mountain-grown Jamaica sold, 230s; pile sizes, 165s 6d to 219s. Peas sold up to 210s.

COCOA.—Market very quiet, and prices favoured buyers on the spot. Accra for shipment and also the Terminal market was disturbed by reports of the dissolution of the Combine, and prices fell rapidly, but recovered slightly later. September delivery sold, 54s to 52s 6d; October, 54s to 52s 6d; December, 54s to 52s; January, 53s, 51s 6d, and 52s; March, 52s 6d to 51s 6d and 52s. Accra F.F., October-December, also November-January, sold down to 46s 6d, and later 47s 6d, f.o.b.

TEA.—Indian auctions this week amounted to 55,870 packages. Fair competition was experienced, and all good quality teas realised firm prices, but otherwise a rather quiet tone governed the market, though prices were not materially altered, though common closed ½d up better demand. Ceylon sales totalled 27,641 packages. There was more tone about the room than recently, and any improvement in quality was appreciated by buyers, and these cleared at correspondingly higher rates. Good medium kinds formed a strong feature, with an irregular advance of from ½d to 1½d per lb. Broken orange pekoe were well sought after. Of new season's China, the chief feature has been a strong demand on overland samples for Lapsang Souchongs at 2s 10d to 3s. Java sales received fair support, at mostly steady rates.

SPICE.—Pepper market presented quiet features. Lampung, August-October, sold, 1s 0½d; October-December, 1s 0½d; Muntok, spot, sold, 2s; August-October, 1s 7½d; October-December, 1s 7½d. Cloves easier, more doing. Zanzibar, spot, 11½d to 11½d; August-October, 10½d; October-December, sold, 10½d; November-January and December-February, sellers, 10½d per lb. Pimento, September-October, 82s per cwt., c.i.f., London. Tapioca steady, quiet. Bantong Java, September-October, to the U.K., sold, 20s 6d for flake, 20s 6d pearl, and 19s 6d seed, c.i.f. terms. Sago flour, September-October, to the U.K., quoted, 11s 9d; November-December, 12s, and Corona starch powder, September-October, 15s 6d, c.i.f. Dutch farina for shipment, 14s, f.o.b. Tapioca flour, September-October, 9s 7½d for medium up to 12s fine, c.i.f., U.K. African ginger, spot, London, 53s to 54s per cwt. Dried coconut idle.

RICE.—No improvement to note in this market, and European requirements fail to extend. Two stars Rangoon, August and September, to London, quoted, 12s 7½d; Spanish oil, spot, London, 19s 6d to 19s 9d; September-October, sold, 17s 4½d, c.i.f. Italian, idle, unaltered. American blue rose, new crop, 22s per cwt., c.i.f. Bran slow, but held steadily.

BEANS.—Madagascar butters continue in demand, and parcels, spot, London, sold, 24s to 26s; very fine lots at 26s 6d. Forward offers are found wanting with buyers of October at 26s cwt, c.i.f., London. Rangoon haricots, spot, London, sold, 18s 9d to 19s. Galician giant runners, September-October, quoted 45s cwt, c.i.f., London. Otenashi, October-November, sold, 25s 6d to 26s; November-December, 25s 3d to 25s 6d cwt, c.i.f.

PEAS.—Only a quiet trade doing, with maples out of favour. Japanese blues, spot, London, sellers, 21s 6d; August-September, 21s 6d; September-October, 21s; October-November, 20s 9d, c.i.f., London. Dutch marrowfat, September, 24s 3d; blues, 21s cwt, f.o.b.

FRUIT (Dried).—Currants quiet, but spots stocks in small compass. Patras, quoted 51s to 51s 6d; Amalias, 50s 6d; Gulf, 52s; Vostizza, 53s to 56s. Sultanias: Smyrna quiet of sale, while mostly of unattractive quality. Common to medium, 37s to 55s; good to fine, 56s to 62s; Cretan, 48s to 50s; good colony Greek sell at 52s to 53s; Australian, new ranges, 50s to 85s; Californian, bleached, 38s to 47s, c.i.f.; Cape, bleached, 46s to 50s; unbleached, 40s to 45s. Raisins in fair demand, and market steady. Valencia quarter boxes, 33s to 34s; Australian Lexias, 40s to 45s; Capes neglected. Figs quiet. Genuine spot, 20s to 30s; for shipment first half September, 22s; September, 21s, c.i.f. Dates quietly steady. New crop, first tide, Hallowee, 23s; Siar, 14s 6d; Khedrowie, 18s, landed terms, London. Evaporated fruits: There is no change in the general position, and business was on a restricted scale. Plums steady on spot, but tendency weaker for new crop. Californian pears, extra choice, 85s; fancy, 97s 6d. Apricots, royals, new crop, best, 115s; second, 90s; third, 75s; Cape, new, second grade, 80s; third, 70s; Australian, 85s to 110s. Californian peaches, choice, 58s; extra choice, 63s; fancy, 67s 6d. Plums: Californian, small sizes range from 30s to 34s; and larger, 43s to 62s 6d. Apples: Californian, spot, sliced, extra choice, 110s per cwt. Almonds: Spot stocks in small compass, and prices firm. Apricot kernels: Indian sweet, spot, 100s; September-October, 100s, c.i.f. China, bitter, spot, 52s 6d; shipment, 54s 3d, c.i.f. Hazel kernels: Kerasunde, spot, 87s 6d; Barcelona, 92s 6d cwt.

CANNED GOODS.

CANNED FRUITS.—Demand for Californian fruits was of moderate extent at late rates, with purchases confined to immediate requirements; trading in new pack fails to expand. Apricots and peaches

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are reservedly offered, but supplies of pears will be larger than last season. Australian fruits continue in request, and realise steady rates. Fair supplies of Singapore pines were available, but moved off slowly, both spot and forward, Hawaiian being held for full rates. Italian tomatoes in limited demand on spot, and buyers reluctant to operate in the new pack, as sellers were inclined to advance quotations.

CANNED FISH.—Sardines in moderate demand at steady rates. Portuguese clubs quoted 5s. Salmon irregular while influenced by declining prices for new pack. Red tails, spot, 45s to 47s; pink tails nominal, and halves quoted 32s to 35s. Lobsters in good demand and firm at 140s to 145s for halves, and 77s 6d to 82s 6d quarters. Japanese crab steady. Best quality spot quoted 92s 6d to 95s, with forward quotations firm on prospects of a short pack.

CANNED MEATS.—Remain quiet, but no quotable change in prices. Lunch tongues offer at attractive rates compared with ox, which is firmly held.

CONDENSED MILK AND MILK POWDERS.—Milk: Full cream sweetened, English, spot, 45s; Dutch, 42s; September, 43s 6d; October-December, 44s 6d. Machine skimmed sweetened, English, spot, 28s; Dutch, 27s; September, 27s 6d; October-December, 28s 6d; all in 5 cwt barrels. Powders: Spray, F.C., 26 per cent., 2 by 28s 6d; all in 5 cwt barrels. Powders: Spray, M.S. (1 cwt cases), 50s; 56 lb tins, prompt shipment, 98s; Spray, M.S. (1 cwt cases), 50s; Roller, F.C., 26 per cent., 85s; M.S., 45s, all net, duty paid, ex-wharf, London. On the grocery side, F.C.S., 21s; M.S.S., 12s 9d, basis per case, usual packing.

HONEY.—Remains steady. New Zealand, 58s to 88s, as to quality; Jamaica, 32s to 47s 6d; San Domingo, 32s to 50s; Haiti, 31s to 47s 6d cwt.

GENERAL.

JUTE.—Market without much change, but spinning demand remains slow. Firsts, August-September and September-October, to continent, quoted £37 12s 6d; November-December, £36 15s. Lightnings, September-October, £33 ton.

SHELLAC.—Market quiet, T.N., spot, 217s 6d; October, 213s; December, sold, 205s cwt.

HEMP.—Quiet conditions still obtain in this market, and prices are barely steady. J2, August-October, sellers, £37; G, £39 5s; H, £34 5s; F, £48; K, August-October, £31; October-December, £34 5s; L1, August-October, £31 5s; L2 and M1, £26 10s; M2, £31 5s; L1, August-October, £31 5s; S2, £42 10s; C2, £29 15s; C3, £27 15s; S.Q., £47 10s; S2, £45; S3, £42 10s; C2, £29 15s; C3, £27 15s, c.i.f. The market for African sisal now shows less stability and rather lower prices quoted, in view of the entry of Mexican into European markets on an extended scale. No. 1 marks, August-October, quoted £36 10s; No. 2, £35, c.i.f. No change in quotations of Mexican regarding business effected, but G.W. now held for £35, and red, £33 ton, c.i.f. Receipts last week 13,000 bales, deliveries, 9,000, and stocks, including inland, 168,000 bales. Little or no interest in new crop Italian hemp.

COPRA.—A subdued market resulted, but undertone is generally steadier while assisted by reduced quantities now coming along in the aggregate. Straits S.D., September-October, to Rotterdam, quoted at £25 13s 9d; October-November, £25 16s 3d. Other descriptions unaltered. Palm kernels, September-October, to Hamburg, quoted £20 2s 6d per ton.

RUBBER.

A moderate amount of business was concluded, but no new feature crept into the general situation. Plantation standard sheet, spot and September, sold, 9d to 9½d and 9d; October, 9½d to 9½d; November, 9½d; December, 9½d to 9½d; October-December, 9½d to 9½d; January-March, 9½d to 9½d; April-June, 9½d per lb. To New York, estate sheet, September-October, 9½d per lb, c.i.f. Acre fine hard, September-October, sold, 10½d per lb, c.i.f. London landings last week, 1,746 tons; delivered, 1,522; and stock, 224 up at 32,815 tons, against 64,257 same time last year.

TALLOW.—Messrs Colchesters and Woolner write on August 29th

THE BANK OF TAIWAN, LIMITED.

(Registered in Japan, 1899.)

Capital Subscribed : : : ¥15,000,000
Capital Paid Up : : : ¥13,125,000

Head Office - - - - - TAIPEH, FORMOSA.
London Office 40/41, OLD BROAD STREET, E.C.2

BRANCHES:

Amoy, Batavia, Bombay, Calcutta, Canton, Foochow, Hankow, Hongkong, Keelung, Kobe, New York, Osaka, Semarang, Shanghai, Singapore, Soerabaya, Swatow, Tainan, Tokyo, Yokohama, &c., &c., and Correspondents in every principal town of the World.

The Bank is incorporated by a Charter and is under special supervision of the Imperial Japanese Government, issues its own notes in Formosa, conducts general Banking, and acts as Agents for other Banking Institutions. Deposits are received for fixed periods on terms which may be ascertained on application.

NATIONAL PROVIDENT INSTITUTION
48 GRACECHURCH STREET, E.C.3.BONUS DECLARATION 1927.
WHOLE LIFE ASSURANCE.

£2 10 0% per annum, steadily increasing after "expectation" to over £5% per annum at extreme ages.

SURPLUS DIVIDED - £1,249,700
CARRIED FORWARD - £392,000

£32,000,000 had been paid up on the new Treasury bonds. This left the market rather short of funds, and, despite some "special buying" of Treasury bills, borrowing from the Bank to a small extent was necessary on both Monday and Tuesday, and up to 4½ per cent. was freely paid in the open market. Conditions became easier as the week progressed, with 3½ per cent. the usual charge for renewals of daily loans, and new money obtainable down to 3½ per cent. The discount market has been very quiet, with rates steady, though business has been done for the Continent at 4-7-32 per cent., and the Treasury bills for payment during the week were also done at this rate after the stringency in the short loan market had disappeared. The Bank failed to secure any of the South African bar gold in the market, which was mainly taken for an undisclosed Continental buyer, but the gold holding has been further increased on the week as a result of the arrival of £750,000 in sovereigns. The position in New York continues to be watched very carefully, for the situation continues very obscure, though there are still strong hopes that London may get through the autumn without an alteration in the official rate.

	Sept. 6, 1928.	Aug. 30, 1928.	Aug. 23, 1928.	Aug. 16, 1928.	Previous Rate and Date Changed.
Bank Rate	4½	4½	4½	4½	5 (Apr. 21, '27)
Banks' Deposit Rate	2½	2½	2½	2½	3 (Apr. 21, '27)
Discount Call	2½	2½	2½	2½	3 (Apr. 21, '27)
Houses Notice	2½	2½	2½	2½	3½ (Apr. 21, '27)
Market rate (3 months' bills)	4½-5	4½-5	4½	4½	..

The Bank Return shows an increase in the stock of gold of £709,300. Circulation declined by £73,300. Reserve is £782,600 higher. Public Deposits declined by £742,700, but Other rose by £14,081,100. Government and Other Securities rose by £8,594,700 and £4,013,100 respectively. The Proportion of Reserve to liabilities was 47½ per cent., a decline of 4½ per cent. on the week, but a rise of 17½ per cent. as compared with the corresponding period a year ago. Currency notes were increased by £1,084,000 to £298,001,500, which includes £1,249,800 for notes called in, but not yet cancelled. The fiduciary issue is £240,501,700, or £4,433,400 below the maximum for 1928.

NEW YORK MARKETS.

Our New York correspondent cables:—Share markets have reached the most active condition since the spring advance, with both public and professional buying in evidence, as a result of upswing in business and the belief that there will be no further restrictive measures on the part of the Federal Reserve authorities. Some anxiety is felt at the rising total of brokers' loans and the unrestrained advance of special stocks. The Treasury's financing operations are expected this week, and easier monetary conditions may rule after the tax date until the end of the month. The weekly Federal Reserve statement shows little change, the total credit outstanding registering only a slight expansion. An increase is shown in the circulation. The ratio is 68.6 per cent., against 69.5 last week and 76.4 a year ago.

THE STOCK MARKETS.

The stock markets were less active. A steady demand for investment securities was in evidence, but the more speculative markets reflected the fluctuations in New York. Gilt-edged business was favourably affected by the reinvestment of recent dividends and repayments, but money market conditions remained stringent, and the volume of dealings tended to contract. Home Rails had a better tendency, though few changes in price occurred. Among industrials, artificial silk shares were heavy, and gramophones irregular, but tobacco and iron and steel shares gained ground. Bank and insurance stocks continued in firm demand. The rubber, tea, and oil markets were all quiet, but Paris was a speculative buyer of numerous mining shares. The only new issue of the week was a Chilean Government 6 per cent. loan, offered at 95½, which, together with a similar issue in New York, was rapidly over-subscribed.

THE COMMODITY MARKETS.

Many markets show a decided improvement. The slight advance in wheat prices has not been maintained, and the coal situation is almost unchanged, some friction being experienced from the imperfect working of the new selling agreements. Reports from most iron and steel centres, however, are much more cheerful; more business is passing in pig-iron, though at unchanged prices, and manufactured steel is benefiting from a slackening of Continental competition. Tinplates are in good demand, and an agreement with the United States for the division of markets is said to be impending. Other metals are firm. Business throughout the cotton trade is largely held up in anticipation of the next Bureau report. Buyers of wool are still holding back for lower prices. Hides are firm, more demand is forthcoming for leather, and the boot and shoe trade is showing signs of revival. Vegetable oils and oilseeds, rubber and jute are quiet.

FOREIGN EXCHANGES.

The foreign exchange market was quiet last week, the more so because New York was closed on Monday on account of Labour Day. The features were the steadiness of sterling and the erratic course of the yen, which, however, recovered a good deal of the leeway lost last week. The cause was probably, as before, the hedging operations of speculators in silver. New York remained about 4.85½ all the week, but forwards were rather more wanted at narrower discounts of 11-32 cent and 29-32 cent for the two periods, as against 15-32 cent and 1-1-32 cents last week. Canada was steady throughout at about 4.85, but the rate eased on Thursday fractionally to 4.84½. Three months' delivery was quoted at a discount of 1 cent. Paris fluctuated a little, but was steady at 124.27 on Thursday. The premiums on forward deliveries declined from 12 centimes to 4 centimes for one month, and from 22 centimes to 14 centimes for three months. Brussels was little changed at 34.90, but forwards were rather lower at discount of 1½ cents and 3½ cents for the two periods. Madrid reacted from 29.22 to 29.27, forward quotations being unchanged. Milan suffered some fluctuations, and the rate fell away from 92.60 to 92.68, but forward lire were in better demand at discounts of 9 centesimi and 25 centesimi for one and three months respectively. Lisbon was unchanged at 107½. Of the gold exchanges, Amsterdam at one time moved in our favour, but closed rather higher on balance at 12.09½; Berlin depreciated from last week's levels to 20.36½; Stockholm lost a fraction at 18.13, as did Oslo at 18.19; and Geneva was rather easier at 25.19½. Forward guilders were weaker at wider discounts of ¾ cent and ¾ cent for the two periods, but forward reichsmarks were rather better at discounts of 3½ pfennigs and 9 pfennigs. The South American exchanges varied but little, Montevideo being ½d better at 50½d, whilst Buenos Aires fell away ½d to 47 11-32d. Rio was 5 29-32, no change. In the Far East the rupee was firm at 15 31-32d, but the yen was erratic, although it improved by Thursday to 15 10½d from the opening level of 15 10½d. Batavia was a little weaker at 12.12. The silver market was quiet and the general tone easy, but prices fell by ½d for spot and ½d as a result of moderate sales by China and the Bazaars and little support. The China silver exchanges showed different reactions, Hongkong remaining unchanged at 25 0½d, whilst Shanghai lost ½d at 25 7½d.

NATIONAL ACCOUNTS.

The following table shows the national income and expenditure during the week ended September 1, 1928:—

(000's omitted.)			
EXPENDITURE.	£	RECEIPTS.	£
Supply Services	6,952	From Revenue	10,490
Interest, &c., on Debt	6,143	Increase in Debt	4,648
Sinking Fund	1,740		
Increase in Balances	43		
Sundries	260		
	15,138		15,138

The total ordinary revenue amounted to £10,489,600, as compared with £11,262,400 in the corresponding week last year. Property and Income-tax was lower at £3,069,000, against £4,510,000, and Super-tax at £230,000, against £260,000. Customs and Excise were higher at £2,441,000 and £923,000, against £2,169,000 and £870,000 respectively. Ordinary receipts amounted

to £12,800, as compared with £20, and Special receipts to £1,985,000, as compared with £2,050,000. The national debt was increased by £4,648,500, as shown below:—

(000's omitted.)			
	£		£
Public Department Advances	11,450	Treasury Bills	1,778
National Savings Certificates	100	5% Treasury Bonds	30,500
National War Bonds	15,630		
Sundries	450		
	27,630		32,278

The floating debt was reduced by £9,670,000 to £748,545,000.

FINANCIAL YEAR, 1928-29, April 1 to Sept. 1, 1928.

£		£	
Expenditure	315,090,065	Revenue	230,395,430
		Amount borrowed ..	81,212,128
		Decrease in balances ..	3,482,507
	315,090,065	Total	315,090,065

ESTIMATES (New Basis), 1928-29.

£		£	
Expenditure	576,581,000	Revenue	756,083,000
Sinking Fund	65,000,000		
Surplus	14,502,000		
	756,083,000		756,083,000

* Includes £13,200,000 from Currency Notes Assets.

SELF-BALANCING REVENUE AND EXPENDITURE.

£		£	
Post Office	57,314,000		
Road Fund	21,300,000		
			78,614,000

The surplus of £4,239,000 for 1927-28 is carried forward.

ECONOMIST INTELLIGENCE BRANCH.

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

A NEW CHAPTER IN INDUSTRIAL HISTORY.

THIS week's Trade Union Conference at Swansea is likely to prove a turning-point in our industrial history. It is true that almost its first act on Monday was to expel the Seamen's Union, which refused to take part in the general strike of 1926 and has abandoned its political activities, from membership of the Conference on the ground of disloyalty. But this act merely served to throw into sharper relief the general attitude of the meeting which has rejected in no uncertain terms the arguments and manoeuvres of the extremists on the left and has endorsed in the most emphatic way the policy of co-operation with employers. Never before have the delegates of the trade union world so definitely denounced the disruptive effect on their organisation of the minority movement or condemned the pernicious influence of intrigues inspired from Russia, and it was evident from the outset that the trade unions had gathered with the intention of supporting the General Council in their attempt to join with the employers in restoring British industry. If the employers' organisations which have yet to take a decision on the scheme of the Mond-Turner conference respond in the same spirit, it means that steps will shortly be taken to organise consultation on a national scale between employers and workers on all aspects of industrial politics.

It is impossible to resist the analogy between this new movement and what is taking place in the international field; for even if the setting up of a National Industrial Conference does not mean the formal outlawry of the strike or lock-out as an economic weapon, it is at least the most promising attempt that has yet been made to exorcise the spirit of class war from industrial relations in this country and to substitute a spirit of collaboration. The industrial strife of recent years which developed on such a scale as to justify the appellation of "the war after the war," is not entirely a post-war phenomenon arising out of the exceptional conditions of recent years,

but is the climax of a phase in our economic history. Its features have been the organising of ever-increasing forces on either side, the piling-up of war-chests, and the constant preaching of class antagonism. As in the international sphere, there were great forces working in the opposite direction, but in both cases it seems that the fever had to work itself out, and, in spite of the development of organised negotiation in many of our great industries, the internal conflict reached its disastrous climax two years ago. Since then the Labour world has shaken off its illusions and has faced realities. It has abandoned the notion that employers have vast hidden resources which can be tapped if only Labour is strong enough; they have given up the vain hope that the State can step in and make a profit out of bankrupt industries, and are recognising—as are employers also—that British industry can only overcome the very serious difficulties that beset it by strenuous and joint effort.

But to recognise the futility of war and to abandon it is only a first step, for it is as true of class relations as it is between nations, that if you wish for peace you must prepare for peace. As M. Briand remarked at the historic gathering in Paris last week, the Kellogg Pact "is a beginning and not an end unto itself," and while some 50 nations of the world already possess in the League of Nations a method of collaboration (in many aspects of which the United States and Russia already associate themselves) the signatories of the Pact must at least complete the already extensive network of arbitration or conciliation treaties and find some means of settling disputes other than by fighting.

But even the settlement of disputes is not enough. The purpose of the League of Nations as expressed in the Covenant is not merely to avert war, but also to promote international co-operation. This co-operation aims from the negative point of view at removing the causes of war; but from the positive point of view at establishing international relations on the basis of mutual understanding and justice. This covers a very wide field of both political and economic affairs; and it must have regard not merely to preserving the *status quo*, but to the changing conditions of the world.

The problems of internal peace are not dissimilar. The Mond-Turner Conference has begun by devoting its attention to setting up machinery for preventing industrial war; and, realising that disputes can rarely be localised, but embroil the whole industrial forces of the nation, has put forward a scheme which will mobilise the combined influence of organised employers and workers for the purpose of settling disputes. This also is only a first step. If economic strife is to be eliminated, it presupposes that industrial relations will be established on a basis of justice, and that production will be efficiently organised so as to give all who participate in it as large an income as the economic situation of the country permits. Here again is an enormous field; indeed, it covers every aspect of economic policy. The one with which the trade union movement is most immediately concerned is, of course, wage regulation. In recent years there has not been merely a very considerable trend in practice in the direction of a more widespread adoption of payment by results, but there has also been a considerable change in trade union sentiment. Opinion on this matter is rather feeling its way, and when it comes to specific cases it is inevitable that a great variety of methods should exist to meet different circumstances. But it is significant that, as a Labour correspondent points out in a later column, there is a growing feeling that the cost-of-living index as a method of regulating wages, while having served a very useful purpose in exceptional circumstances, was only a temporary expedient, and should gradually be superseded by more thorough methods which will take account of a wider group of considerations. The fact that very few of the unions replied to the request for comments on the question of family allowances suggests, however, that the trade unions have not yet given very much thought to the principles of wage determination. Again, the wages problem, studied in the light of the persistent unemployment and the slow expansion of British trade, leads straight to the question of rationalisation and the contribution which organised workpeople can make towards the improved efficiency of production; while looking

further afield, there are the great but very practical problems of monetary and fiscal policy. We may confidently anticipate that the discussions on such matters which will take place under the scheme which is this week being submitted for approval at Swansea will at least go a long way towards clarifying the views of those most directly concerned.

As a correspondent pointed out last week, the crux of the matter is contained in that section of the report of the General Council in which it puts up to the Conference three possible lines of policy. The first is to do everything possible to bring the industrial machine to a standstill—a policy which, in form at all events, was endorsed as recently as three years ago at Scarborough, when the trade unions were exhorted, "in conjunction with the party of the workers, to struggle for the overthrow of capitalism." This method the Council now says is "futile, certain to fail, and sure to lead to bloodshed and misery." The second is to stand aside and tell the employers to get on with their own job while the unions merely fight for sectional improvements. This method the Council would regard as a confession of failure. The third is to co-operate in the scientific reorganisation of industry, and thus play a part in the momentous changes that are taking place in the economic life of the country. If as a result of the Conference that is now taking place this third policy is embarked upon—with the genuine good will of the employers as well as of the workers—we shall be justified in speaking of these decisions as constituting a turning-point in our industrial history.

PRESIDENT CALLES OF MEXICO.

LAST Saturday, September 1st, President Calles made the formal announcement, at the opening of the Mexican Congress, of his determination, not only to refrain from seeking re-election to the Presidency, which would have been an explicit breach of the Constitution of 1917, but also to abstain from any attempt to get round the terms of the Constitution, on the score of national emergency, by a temporary prolongation of his present term of office or by accepting a new appointment as provisional President *ad interim*. This decision had been intimated unofficially already, but the formal announcement clinches it; and President Calles is to be congratulated upon an honourable and courageous act, by which he has deserved well of his country.

In England, with our long tradition of playing the constitutional game without breaking the rules, it is perhaps not easy to realise how notable a breach with a bad Mexican tradition President Calles has made. In Mexico, where constitutional government remains, after more than a century of acclimatisation, a distinctly exotic plant, it has been the rule rather than the exception that a politician who has climbed to power by the aid of the Constitution should cling to power by violating the Constitution until he is overthrown by revolutionary methods of violence of which the Constitution takes no cognisance. If precedent condones this procedure when the incentive is the mere satisfaction of personal ambition, it might readily be held to sanction it in the novel situation in which President Calles finds himself of standing, not for his own personal interests, but for a political cause on which the future of the country may turn. And the temptation might have become irresistible when the carefully laid plans for keeping the Progressive party in power until the triumph of the cause was assured had been upset by the assassination of President Calles's successor-elect as well as predecessor in the Presidency, General Obregon, who is the only other outstanding personality who was obviously capable of holding the Presidency in the Progressive interest during the next four still critical years. When this crime was committed a few weeks ago the line of least resistance for President Calles was to go on holding the fort; but he has chosen a path which is more ambitious, as well as more hazardous, for his country. As he explained last Saturday in his address to the Mexican Congress, he believes that the time is now ripe for Mexico to put behind her the era of dictatorships and revolutions, and to enter upon a new chapter of

constitutionalism and respect for law; and he is not willing to bring discredit on his principles through belying them by his own action. Of course, this bold policy may fail. The withdrawal of Calles, with no Obregon to step into his place, may conceivably lead to the disruption of the political forces which these two statesmen, between them, have held together for the last eight years, and the result may be that Mexico will relapse into the anarchy from which she has been extricating herself. We trust sincerely that this misfortune will not occur. It would not only be a tragedy for the long-suffering Mexican people, which, after generations of oppression, now at last stands within sight of a better condition of life. It would also seriously prejudice the whole development of international relations on the American continent; for the stability of Mexico is an essential condition for a peaceful and liberal adjustment of relations between Central America and the United States.

What, then, are the factors which, in the testing-time that will come when President Calles vacates office at the end of his constitutional term this December, are capable of throwing Mexico back into anarchy again? There are at least four conflicts, latent or actual, which are potential sources of danger. There are the controversies between the Mexican Government and people and certain foreign Governments and their nationals who hold vested interests in Mexican land, minerals, economic enterprises, or public debts; there is the latent antagonism between the Mexican civil population and the army; there is the tension between the organised representatives of the peasantry and of the town workers, on whose co-operation the success of the progressive cause depends; and there is the war between the Mexican Secular Government and the Roman Catholic Church.

Until last year the controversies with foreign interests seemed distinctly the most serious of the dangers to Mexican stability; for the protagonists of those foreign interests were citizens of the United States, the State Department was standing firmly behind its nationals; and the Calles régime was held to be jeopardised if the United States Government withdrew the light of its countenance from it, and doomed if that light were made to shine upon its enemies. Happily, during the past year these relations have changed altogether for the better. The settlement of the particularly stubborn and embittered controversy over foreign mineral rights has opened the door for a settlement all round; and the presence of Mr Dwight Morrow as United States Ambassador in Mexico City is a guarantee that, if the old controversies recur or if new ones arise, they will be handled with greater tact and human feeling than heretofore. We do not think that, at any rate in the immediate future, the greatest danger to the completion of the work of stabilisation in Mexico will be found in this quarter. Nor, again, do we think that the greatest danger of the moment will be found in the traditional danger of the past, namely, a military pronunciamiento. No doubt there are still general officers in Mexico who aspire to win those political prizes which Mexican generals have so often won by the sword in the past; but we fancy that the tradition of militarism, once broken, as it now has been, will not be so easy to restore. There is now a civilian public opinion in Mexico which is not only vocal but organised; and the rank and file of the army, who are the sons of peasants and workmen themselves, may not be so thoughtlessly ready as they used to be to place the yoke of the generals upon their fathers' and brothers' necks.

More serious is the tension between the rural and the urban wing of the progressive party, upon whose continued union the maintenance of stability depends. Numerically, the peasantry account for the vast majority of the Mexican nation, and the consciousness of their numbers makes them feel that they have a moral right to take the lead in the national counsels. On the other hand the relatively small urban proletariat is strong in its monopoly of technical skill, in its local concentration in the ports and industrial districts, as well as in the federal capital, and in its recent but efficient political organisation; and it feels on its side that these factors ought to carry their weight. A certain rivalry between the two groups is perhaps not unwholesome, and is certainly not avoidable; and hitherto this rivalry has been kept in bounds by the Obregon-Calles duumvirate, for Obregon

was the hero of the peasantry and Calles the liaison between the Obregonistas and the General Mexican Labour Union (the C.R.O.M.). The assassination of Obregon suddenly caused this latent antagonism to flare out in a disconcerting way. The peasantry asserted that the crime had been instigated by C.R.O.M., and C.R.O.M., on its part, parried this accusation by denouncing the militant Catholics.

In fact, the struggle between the Mexican Government, in the United Progressives' hands, and the Roman Church, is the most serious of the dangers with which Mexico is at present confronted. It is a trial of strength which has now been going on since 1926 without coming within sight of a decision, and in this conflict the deepest feelings are aroused and almost the whole population is implicated. Considering the strength of the hold which the Roman Church has possessed over the imaginations, the property, and the Government of the Mexican people in the past, and the further fact that the principal members of the Catholic hierarchy in Mexico have been foreigners, it was probably inevitable that Mexico should experience that conflict between Church and State through which most Catholic countries in Europe have passed. It was also perhaps inevitable that in a country just struggling out of relative barbarism the conflict should be conducted with lack of restraint on both sides. However that may be, the resulting situation is dangerous to a degree—the more so because of its potent effect upon the feelings of the great Catholic population in the United States. It is here that we divine the principal danger-point if things in Mexico were to go wrong. We have good hope, however, that President Calles's courageous constitutionalism will justify itself, and that the reconstruction of Mexico will go forward without interruption.

DISTRIBUTION POLICY OF AMERICAN AND BRITISH INDUSTRIAL COMPANIES.

(BY A CORRESPONDENT.)

THE results of a study intended to get beneath the surface of the financial statements of industrial corporations in the United States has just been published by the Standard Statistics Company of New York. It is likely to receive very careful attention from the more farsighted holders of securities and shares in these enterprises, as distinguished from the stock market speculator to whom the long pull means nothing, and it ought to be considered by investors in every country who have invested part of their funds in American industrial companies.

The study embraced 545 industrial corporations which in 1927 earned about 2½ billions of dollars, paid to bondholders and stockholders about 2 billions, and valued their properties at more than 17½ billions. These concerns represented more than one-third of the aggregate corporation data of the United States. The composite income account of the 545 corporations for last year and 1926 worked out as follows:—

	(In Million Dollars.)		
	1926.	1927.	Per Cent. Change.
Net profit	2,810.92	2,490.26	—11.4
Fixed charges	223.46	250.24	+12.0
Net income	2,587.46	2,240.02	—13.4
Preferred dividends	259.49	241.53	—7.0
Common dividends	1,292.07	1,389.84	+7.6
Total payments to security holders	1,775.02	1,881.61	+6.1
Carried to surplus	867.62	474.54	—45.4
Earned per \$100 of invested capital	10.6	9.0	—15.1

The first surprise of the investigation was that while there was a sharp drop in profits in 1927, funded debt increased by a very large amount. The increase in fixed charges, amounting to 12 per cent., was even greater than the increase in funded debt, and is attributed to the large expansion in bank loans and to discounts paid in connection with new bond issues. On this point the writers of the report observe:—"Superficially, it would seem that in a year such as 1927, when business profits were moderately good, and when interest rates were low, fixed charges

Travel and Money

The far too common method—or lack of method—of carrying cash in bulk when abroad, is wholly unsatisfactory. Travellers are invited to consider the arguments of two leaflets issued by the Westminster Bank, *Points before Travelling*, and *Safeguards for the Traveller*, which will be gladly sent by the Secretary of the Bank on application.

WESTMINSTER BANK

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should have decreased. But this premise omits to take account of the borrowing habit. We have always held that, over a period of time, American business will borrow all the money it can get, and, ultimately, more than is good for it." Probably bankers in other countries will think to themselves that the word "American" in the last sentence could be struck out without greatly impairing its truth.

Although American industrial dividends were higher in 1926 than in any previous year, the 1927 disbursements of the 545 corporations to their common stockholders was 7.6 per cent. greater than the year before, and amounted to more than 1½ billions. A considerable difference which characterises American and English policy in corporate finance, and which receives vastly too little attention in America, both from directors and shareholders, in our opinion, is shown in the next section of this interesting and illuminative study. "The greatest surprise in our composite earnings statement comes with the disclosure that the amount carried to surplus [i.e., reserves] last year, after all payments to security holders had been made, was in the aggregate 45 per cent. smaller than in 1926 in the case of 545 companies, and was almost 57 per cent. smaller in the case of 543 companies, omitting General Motors and United States Steel. The 545 companies carried only 19 per cent. of their 1927 net profit to surplus; the 543 companies, only 17 per cent."

To those familiar with English practice this will seem inadequate. It would be understandable if small allocations to reserve were to be made in a year of depression and small profits; but that only 17 per cent. should be conserved for less prosperous times in a year which marked the greatest dividend payments on record is astonishing. Probably no small part of the inflated quotations which have prevailed this year on the New York Stock Exchange are due to this prodigal scattering of dividend cheques, although when security prices are judged by 1927 earnings many of the quotations appear ludicrous.

It is true that America has enjoyed several years of what has been in the main a steady period of prosperity and satisfactory earnings. So has this country done at various times in the past, although no such liberality in paying out everything that came in has distinguished British company financial practice. If it had, the plight of the present-day shareholder in this country would be vastly worse than it is. But it is a strenuous brand of optimism indeed that expects to go forever without periods of temporary setbacks. Many American companies have been finding it exceedingly difficult during the past year to acquire any earnings at all, but their example does not seem to have weighed very heavily on those which have continued to make money.

It is a fact, however, that some American companies have used a great part of their earnings for the improvement of their plants. This is notably true of the steel

EMPIRE TIMBERS.

THE reader who knows anything of the timber trade of this country and the world will peruse the Imperial Economic Committee's Report on Timber* with a feeling of regret at the apparent idleness of so much Imperial forest wealth, and at the same time with admiration for the Committee in their presentation of a report on a most difficult matter. The British Empire really has got wonderful resources of timber, but we should appreciate that fact more fully if it were not so evident that foreign countries also have timbers, so very close to us, and, comparatively, so cheap, whereas in the British Empire our timber resources, a very valuable future asset, are widely scattered. We are also very short of the one description we and the world most require, *i.e.*, softwoods, or general utility timber for house and other construction work.

Our annual imports of softwood into the United Kingdom include roughly 95 per cent. of foreign timber (almost entirely from north and middle Europe), the Empire's only source in this respect being Newfoundland and Canada. But the Report states that "Newfoundland has for the present practically ceased to be an exporter of timber to any market . . . her coniferous forests are now being used for the manufacture of paper." In Eastern Canada the high prices paid for spruce by the pulp manufacturers are a deterrent to its extensive use in the United Kingdom. "Although a little of the better quality still comes into the country, Eastern Canada exports timber to a large and ready market . . . in the United States, and therefore has less to send to the United Kingdom." Thus, there is little hope for us of large supplies of softwoods from Eastern Canada, and the Committee recommends us to the Douglas fir and other softwoods in the province of British Columbia—all first-class woods in their way (especially Douglas fir, which is cheap, quality considered, for the work it performs) but usually of a class superior to that needed for ordinary tenement and general work. Undoubtedly there should and will be a greater consumption of these woods. At the same time, to supplement even in a small way this single and distant source, present and future Governments ought to plant or encourage the planting more extensively of conifers at home. This would not only be a safety measure, but also a healthy labour attraction for the countryside. The Committee have had brought to their notice the use of the lighter Indian and other Empire hardwoods in place of softwoods, a quite practicable substitution if they can be supplied at competitive rates; but we are of opinion that they could be used more in the cabinet and decorative trades than as a substitute for softwoods.

The sections devoted to hardwoods (70 per cent. of our imports come from foreign sources) leave the impression that the Dominions and colonies are not using their opportunities as they might. The Empire enjoys something approaching a monopoly in teak, for which there is a wide and steady market in India, but "only some 10 per cent. of the output is shipped for use in other countries," presumably including the United Kingdom. As the unreserved forests are becoming exhausted, and the reserved forests are restricted to an output of 300,000 tons a year, any large increase in production within the next 30 years is not to be expected, so that there does not appear to be much chance of any extensive development of that useful yet expensive timber. We are sure, however, that a splendid future awaits many other woods from India and Burma. Of oak, the world's general utility hardwood, only 1 per cent. imported is of Empire production, and we have very little here. British Honduras mahogany reaches the United Kingdom mostly as timber sawn and converted in the United States. "It has been suggested to us," states the Committee, "that sawmills should be established in British Honduras." They should, and unless British capital does not seize the opportunity Americans and American machinery will be there before them. From

Canada it is suggested that we can get more maple, birch, white elm, and bass; the many woods of Australasia are awaiting development, as well as those of West Africa and the East and West Indies.

Particular attention is drawn to the home-grown timber trade and to the work of the Forestry Commission and the Forest Products Research Laboratory at Princes Risborough. We believe the latter will prove to be a great asset to this country in finding ways and means of economising in the production and uses of wood. The Forestry Commission, besides other useful work, should also be able to improve our pit-prop production, which, through neglect occasioned by the haste and hurry of the war, has acquired a not too good reputation.

The Committee has done well to emphasise the great potential development of the Empire timber trade, but it has also wisely stressed the fact that Empire woods, to succeed, must be offered at competitive prices and with the assurance of regular supplies. That there will be an ample market is fairly obvious. The first of the Committee's conclusions states that the adequacy of the world's resources of timber, especially of softwoods . . . is causing grave anxiety to Forestry Authorities." We believe that anxiety would be greatly allayed if a good cheap substitute could be utilised in place of pulpwood, which would immediately release prodigious quantities of trees for house work. A house and its woodwork last something like 100 years, whilst this morning's daily paper will be ashes to-morrow. Too much timber is used up for paper, and now that the artificial silk industry has also become a world's competitor in the spruce buying markets some relief will have to be forthcoming if the world is to be saved from a shortage of general building woods in the not very distant future.

Notes of the Week.

The Anglo-French Naval Compromise.—During the latter half of last week successive statements regarding the Anglo-French naval compromise were made by Lord Cushendun at Geneva and by Monsieur Leygues, the French Minister of Marine, at Paris. Frankly, these have only partially removed the uneasiness which has been created. Indeed, the continued suppression of the text has been made more pointed by the publication of these two elaborate Ministerial statements in which, instead of the facts being stated, the current speculations—or, rather, some of these speculations—as to what the facts may be are denied. Inevitably our attention is drawn towards an examination of what these denials exactly amount to. We are told that there are no secret clauses, no "entente implying joint action, naval or military," and no attack on the Washington Convention of 1921. We are not told, however, that there is no informal understanding that, in return for French concessions in regard to British desiderata in the field covered by the compromise—*i.e.*, in the field of naval armaments—the British Government will cease to oppose French desiderata in another field to which the text of the present technical clauses does not apply, that is, in the field of land armaments; and this, of course, is one of the points which have aroused anxiety. The suggestion is that the British Government has procured French concessions in regard to the method of calculating naval armaments, which in their opinion will strengthen their hands when they come to negotiate again with the United States, at the price of giving France a free hand in regard to the method of calculating land armaments—a concession which, in the opinion of the French Government, will enable France and her Continental Allies to maintain their military hegemony in Europe in perpetuity. Again, no one suggests that either the French or the British Government contemplates breaking the Washington Agreement in regard to capital ships; but it has been suggested very plainly in France that the French Government will decline to renew it when it expires. Some Frenchmen regard the Washington ratios, in which the French and Italian maxima for capital ships constitute the lowest of three categories, as a national humiliation. They desire

a free hand to build more capital ships than the present maximum. On the other hand, the British desire is precisely the opposite, namely, to reduce the tonnage maxima for capital ships all round. It, therefore, seems that the measure of our agreement with France over questions of naval disarmament is moderate, and we cannot understand how the British Government can consider it worth while, on this account, to run a serious risk of aggravating the misunderstanding on naval matters between this country and the United States.

The British Association and Britain's Industry.—In his presidential address before the British Association for the Advancement of Science, on "Craftsmanship and Science," Sir William Bragg suggests a way of escape from the economic wilderness in which English industrialists are usually depicted as wandering. Oddly enough, the path indicated is precisely that which they best like to tread, but because at the present juncture it lies behind them, some dim, unrecognised memory of Lot's wife has inhibited them from contemplating it. For years now we have been telling each other that our troubles are due to the loss of the privileged position we used to hold when no other country was industrially as advanced as ourselves, and that we must now face the fact that many other countries can make everything for themselves and for our former customers as well and as cheaply as we can. But this, points out Sir William Bragg, is only a phase: "Mass productions are temporary lulls in the movement of imagination and knowledge. Much skill and thought and care may be required to arrange for one of those quiet and profitable times; the machine is set going, and for a while goes by itself. But new applications of scientific knowledge, new ideas, new processes, new machines must always be in preparation." He suggests that British craftsmen, under which term he evidently includes scientists, are pre-eminently suited for this work of imagination, knowledge, and preparation, and that our mistake hitherto has lain in clinging "to old activities when they have reached the stage in which many others have learnt to do them with equal efficiency, and when we can go on to something new and, it may be, more difficult." In fact, instead of reconciling ourselves to the loss of the privileged position we held in the early nineteenth century, we are to renew it, as a snake that has cast its skin, and so on *ad infinitum*. This is an inspiring picture, and its contemplation blinds the beholder for the moment to all that is involved in the phrase "go on to something new"; but in these days of displaced miners and idle blast-furnaces it is difficult not to feel that the price, in scrapped capital and superseded skill, of this perpetual pioneership might be greater than any one nation could pay. None the less, the suggestion is a welcome antidote to the policy of aping America which has lately been urged upon British manufacturers with increasing insistence. Reaction against this blind advocacy of mass production in all circumstances, suitable or unsuitable, receives further support in another presidential address, that of Professor Allyn Young before the Economics Section of the British Association, who says: "I know of no facts which prove that British industry, seen against the background of its own problems and its own possibilities, is less efficiently organised or less ably directed than American industry or the industry of any other country." Professor Young, speaking on "Increasing Returns and Economic Progress," elaborates Adam Smith's proposition that division of labour depends upon the extent of the market, and welcomes the growing tendency to attribute America's prosperity to her immense free home market rather than to any absolute superiority, effective in all circumstances, of her methods of production. The reader is inclined to draw the moral, not suggested by the author of the paper, that until a free world market, or at least a free European market, is available for manufactured goods "rationalisation" alone will not solve the economic problems of this small island. There seems nothing for it, then, but a further exploration of the path indicated by Sir William Bragg.

The Ministry of Health Report.—The report of the Minister of Health for 1927-1928* makes encouraging

* Cmd. 3185. H.M. Stationery Office. Price 5s.

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reading. In view of the wide range of activities covered, it is impossible to select more than a few for comment. Steady progress has been made in the development of maternity and child welfare service; tuberculosis, both pulmonary and non-pulmonary, continues to decline, as does also the mortality rate from the principal infectious diseases. An amendment in the definition of mental deficiency makes possible the institutional treatment of persons suffering from the after-effects of *encephalitis lethargica*. It appears that our food and drugs are growing purer, since the large majority of tests carried out in this connection showed a lower proportion of adulterated or contaminated samples than in previous years. As regards housing, the price of houses built by local authorities has dropped considerably since the reduction of the Exchequer grant in September, 1927. This date was preceded by a great burst of activity with a view to earning the higher grant, and was followed by a slump. Subsequently, however, there was a recovery, the number of houses under construction being 55,258 at the end of March, 1928, against 48,212 in October, 1927. There has been some decline in the figures of pauperism, and this decline has been more marked in the "unemployed" than in the "ordinary" class. There is, however, some complaint of laxity in the administration of outdoor relief and relief of the able-bodied, which is partly borne out by a recent increase in the number of casuals, though this figure is well below that of some pre-war years. Work-house infirmaries are reported to have reached a standard which in many cases compares favourably with that of ordinary hospitals. On the whole, this has apparently been a year of progress.

Trade Unions and the Wages System.—A Labour correspondent writes:—A resolution submitted to the Trades Union Congress by the National Union of General and Municipal Workers and the readjustment of Civil Service bonus in terms of the fall of the requisite number of points in the cost of living index have within the past few days revived discussion of the fixing of wages on the cost of living basis. The trade union in question urged that the method has served its day; that in practice it restricts the freedom of an industry to secure advances where the financial and other conditions would permit; and that by participation of the workpeople in management it should be easy to adjust the best terms for all sections of the staff which the prosperity or general position of the industry renders possible. In substance many of the trade unions, and certainly a number of the Civil Service organisations, are attacking what they regard as the static character of the cost-of-living method—that is, in tending to fix their purchasing power, while having only a surface appearance of fair play. Whether agreement on any other policy is yet possible may be doubted. In recent detailed analysis of the problem a committee of the Scottish Trades Union Congress found that (a) many of the semi-skilled and unskilled unions preferred the cost-of-living method, on the ground that, everything considered, it had safeguarded their members against possibly even greater wage reductions in the price movements following the war, especially when the numerical strength of union membership had greatly diminished; (b) many organisations, like those of the carpenters and joiners, remained strongly opposed to payment by results and warmly in favour of a time basis,

* "Report on the Methods of Preparing for Market and Marketing within the U.K. of Raw Materials Produced within the Empire—Timber," H.M. Stationery Office, 9d net.

which they could force up or maintain by restricting the numbers entering the trade, and by making the most of the activity in house construction and similar work; and (c) other unions, like the Amalgamated Engineering Union, were fully reconciled to systems of payment by results on the ground that, after having opposed them for years like the carpenters and joiners, they had discovered that by arrangement with the employers these systems could be worked in such a manner as to safeguard their members. There is also the considerable section of workers covered by the minimum wage principle of the Trade Boards Acts. The conflict of opinion characteristic of Scottish trade union membership is believed to represent almost exactly the position which, on a larger scale, the Trades Union Congress will have to investigate if any practical result is to emerge from the proposal of the National Union of General and Municipal Workers. But at this stage it is probably true that an increasing number of trade unionists and others are regarding the cost-of-living basis as a temporary device; and they will welcome any recommendation on the problem from the Mond-Turner industrial conference, which aims at giving workpeople such a place in management as would make wages regulation a much more comprehensive and scientific proposition. In that effort others hope that much of the objection to sound systems of payment by results will be removed, especially if the unions become a definite part of the rate-fixing machinery, and have a greater guarantee against rate-cutting than has so far been forthcoming.

The New King of Albania.—Last Saturday, September 1st, Ahmed Bey Zogu, who for the last few years has been the precarious autocrat of Albania under the title of the President of a Republic, had himself proclaimed king. The change is of little significance or consequence in itself. Indeed, its sole interest either for Albania or for Europe lies in its possible effect upon the stability of King Ahmed's Government—a stability which might be upset by a straw. If the effect is to seat King Ahmed more firmly in his saddle, well and good; but we must confess that this does not seem to us very likely. It is noticeable, to begin with, that all the other dictators in post-war Europe have rather studiously refrained from taking this road. Like Augustus in Republican Rome or the Mayors of the Palace in the Merovingian Monarchy, they seem to have felt that they could exercise the real power in the State with greater impunity if they ostentatiously refrained from groping after the outward show; and accordingly most of them have kept at least a tame president, if not a tame king, on the foreground of their political stage. Even Mustafa Kemal Pasha, who has accepted the style and title of perpetual President, has so far refrained from taking the next step; and Shah Riza Pehlevi is reported to have coveted the Presidential title and to have founded a new dynasty as a *pis aller*, simply because a secular Republic *à la turque* did not commend itself, in Persia, to the powerful Shi'i priesthood. As for the particular circumstances of Albania, we doubt very much indeed whether Ahmed Zogu will find it so easy, as a king, to reconcile his opponents to his forcible tenure of power as he might have done had he continued to content himself with a less invidious style. Albania, after all, is a country of highland clans led by hereditary tribal chiefs, and of lowland fiefs held by hereditary feudal nobles—King Ahmed himself being a member of the latter class. Now, an aristocracy of this kind might conceivably submit, under duress, to accepting one of their number as a temporary or even a lifelong *primus inter pares*. The resultant diminution in their own status would be neither palpable nor irrevocable, and the maintenance of an outward show of national unity in face of powerful and aggressive neighbours might seem well worth that price. To accept one of their number, and his heirs after him, as their sovereign lord may seem to them quite another matter; and we therefore rather fear that the introduction of kingship may turn out to be the beginning of troubles for Albania as once upon a time it was for Israel. We sincerely hope that this Samuel-like prophecy may be refuted by the sequel; for the worst of it is that trouble for Albania can hardly fail to mean trouble for Europe as a whole.

Our Index Number.—As the result mainly of declines in the prices of primary foodstuffs and cotton textiles, our Index Number records a further downward movement, from 3892 to 3847, as compared with 4071 a year ago:—

Date.	Cereals and Meat.	Other Food Products (Tea, Sugar, &c.).	Textiles.	Minerals.	Miscellaneous (Rubber, Timber, Oils, &c.).	Total.	%
Basis (avg. 1901-5) ..	500	300	500	400	500	2200	100.0
End July, 1914	579	352	616½	464½	553	2568	116.6
" Nov., 1918	1289	782½	1848	903	1389½	6212	282.6
" Mar., 1920	1508	914	2974½	1246	1709½	8352	379.6
" Dec., "	1344	805	1284	1216	1275	5924	269.3
" Dec., 1921	921½	636	1106	762	931½	4357	198.0
" Dec., 1922	861	706	1184½	705	807½	4264	193.8
" Dec., 1923	853	815½	1382½	774	755	4580	208.3
" Dec., 1924	992	789½	1452	815½	806	4855	220.7
" Dec., 1925	936½	679	1120	733	782½	4251	193.2
" Dec., 1926	875	736½	859	773½	731	3975	180.7
" June, 1927	913½	716	1007	662½	705	4004	182.0
" Sept., "	860½	748½	1098½	617	713½	4038	183.5
" Dec., "	845½	716½	1029½	620½	733	3945	179.3
" Jan., 1928	839	685½	1031	609	722½	3887	176.7
" Feb., "	852½	700	1050½	594½	723½	3921	178.3
" Mar., "	882	676	1087½	593½	723	3967	180.3
" Apr., "	913½	669	1100	602	754½	4039	183.6
" May, "	948½	655	1096½	609½	724½	4034	183.4
" June, "	893½	647	1103½	601	718½	3963	180.1
" July, "	837	644½	1088	602½	720	3892	176.9
" Aug., "	813½	654	1061½	599	719½	3847	174.9

In the cereals and meat section the chief downward movements were falls in the price of wheat, flour, oats, rice, and potatoes. English barley (new crop) was dearer, as also, among "other foods," were butter and tea. The decline in the textile group was due to a sharp fall in cotton prices. Jute again advanced in price. In the mineral section the only change was a fall in the price of tin. The "miscellaneous" group was on balance approximately unaltered:—

	Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.		Index Number.	Inc. or Dec.
Wheat—For...	80	— 4	Cotton, A	95	— 10	Copper	52	..
English	75	— 9½	Cotton, B	130	— 6	Minerals	599	— 3½
Flour	72	— 2	Yarn	94	— 7½			
Barley	105½	+ 24½	Cloth	108	— 4			
Oats	74½	— 13½	Wool, Eng.	148½	..	Baltic timber ..	93	..
Potatoes	75	— 6	Do Aust.	104½	— 2½	Amer. timber ..	77½	..
Rice	100	..	Silk	68	..	Leather	76	+ 1
Beef	66½	..	Flax	138½	..	Petroleum	87½	..
Mutton	83	— 5½	Hemp	53	..	Oils	79	..
Pork	82	+ 2	Jute	122	+ 3	Oilseed	66	..
						Tallow	67	..
Cereals & meat ..	813½	— 23½	Textiles	1061½	— 26½	Indigo	76½	..
						Crystals	85½	..
Tea	133	+ 8	Pig-iron	71	..	Rubber	11½	— ½
Coffee	133½	..	Steel rails	71	..			
Sugar, cane	91	..	Iron bars	79	..	Miscellaneous ..	719½	— ½
Sugar, beet	94½	..	Coal, steam	92	..			
Butter	85½	+ 1½	House coal	61½	..	Total	3,847	— 45
Tobacco	116½	..	Lead	89	..			
Other foods	654	+ 9½	Tin	83	— 3½			

In the final table the figures of our Index Number are shown recalculated on the basis of prices ruling at the end of July, 1914. The increase over the pre-war level thus arrived at is now 50 per cent., against 58.7 per cent. a year ago:—

End of—	Cereals & Meat.	Other Food.	Textiles.	Minerals.	Miscellaneous.	Total.
July, 1914	100	100	100	100	100	100.0
Dec., 1918	226	222	293	186	241	237.5
Mar., 1920	261	260	484	269	309	325.6
Dec., "	233	229	209	261	230	230.9
Sept., 1922	151	194	181	150	148	163.3
Dec., 1923	148	231	225	167	136	178.6
Dec., 1925	162	193	182	158	141	165.8
Dec., 1926	151	209	139	167	132	155.0
June, 1927	158	204	163	143	127	156.1
Sept., "	149	213	178	133	129	157.4
Dec., "	146	204	167	133	132	153.8
Jan., 1928	145	195	167	131	131	151.5
Feb., "	147	199	170	128	131	152.8
Mar., "	152	192	176	129	131	154.7
Apr., "	158	190	178	130	136	157.4
May, "	164	186	178	131	131	157.3
June, "	154	184	179	129	130	154.7
July, "	145	183	176	130	130	151.7
Aug., "	140	186	172	129	130	150.0

It will be seen that the fall in prices which has occurred since the spring of this year is not confined only to food-

stuffs, but has been shared, to a less extent, by the "raw material" groups.

Cotton Crop Forecast.—On Saturday next the United States Department of Agriculture will publish the second report of the season on the American cotton crop, which will give the average condition of the growth and the indicated yield. The first statement, issued on August 8th, gave a condition of 67.9 per cent., the yield per acre at 152.2 lbs, and the indicated crop at 14,291,000 bales. Traders have found it difficult to form a definite view with regard to the size of the crop, and there has never been greater discrepancy between private estimators, whose latest attempts at guessing have ranged from 13,929,000 bales to over 15,500,000 bales. In the last report the Government officials made full allowance for the maximum amount of acreage abandonment and boll weevil damage. As it does not appear likely that Saturday's statement will indicate a smaller yield than the one issued a month ago, the general opinion is that the Bureau will announce a slightly increased yield of between 14,500,000 bales and 14,750,000 bales. It would create no surprise, however, if another sensational statement was published.

Cotton Consumption.—Important statistics regarding the world consumption and stocks of all kinds of cotton have been published this week by the International Spinners' Federation, whose headquarters are in Manchester. As anticipated, there has been a falling off in the consumption of American cotton for the six months ended July 31, 1928, as compared with the previous six months. Trifling increases were registered in France, Italy, Spain, Canada, and Switzerland, but there was a big decline in consumption in the United States and in Great Britain, the figures respectively being 395,000 bales, and 105,000 bales less than in the first six months of the season. The total world consumption of American cotton for the full twelve months is given as 15,407,000 bales, as against 15,780,000 bales in 1927. World spinners consumed 25,540,000 bales of all kinds of cotton during the year, as against 25,881,000 bales for the season ended July 31, 1927. The total world's mill stocks of American cotton on July 31, 1928, amounted to 2,212,000 bales, against 3,056,000 bales in 1927. East Indian cotton mill stocks are 1,728,000 bales, against 1,515,000 bales a year ago, and mill stocks of Egyptian cotton are 170,000 bales, against 210,000 bales twelve months ago. The total world's mill stocks of all kinds of cotton on July 31st this year were 4,787,000 bales, against 5,407,000 bales the previous year.

South Wales Coal Trade Losses.—The audit for the South Wales coalfield for the three months ended July last shows a trading loss of £805,372. On an output of 10,314,218 tons the proceeds, at an average price of 12s 8.95d, amounted to £6,573,037; but of this sum wages absorbed £4,826,201, and costs of production other than wages £2,552,208. The economic wage certified by the accountants was equivalent to only 88.92 per cent. of the wages cost at the 1915 standard base rates, but under the agreement with the workmen the colliery owners are under an obligation to pay a general wage rate of 28 per cent. in excess of the 1915 standard rates. The effect of the payment of this minimum wage rate has been the deprivation of the colliery owners of their nominally prescribed share of the net proceeds of the industry, and the total deficiency carried forward to the next ascertainment now amounts to £8,312,829. The loss of £805,372 in the three months ended July is the heaviest debit balance shown by the reports of the accountants since the termination of the national coal strike in 1926, and the aggregate loss for the 18 months ended July amounts to £3,707,665. Since the early part of 1927 the cost of production has been reduced from 15s 7.86d to 14s 3.69d, but during the same period the pit-head price realised has fallen from 15s 3.45d to 12s 8.95d, representing a decrease in the 18 months of 2s 6.50d per ton, or 16.6 per cent. The price of 12s 8.95d realised in the May-July quarter compares with an average realised price in 1913 of 12s 1.23d per ton, so that the colliery companies

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have been selling at a figure which is only about 5 per cent. above the pre-war level, although the Board of Trade index number of wholesale prices showed an increase in July over the pre-war level of 41.1 per cent. The output per man-shift worked in the July quarter averaged 20.37 cwts, compared with 18.4 cwts in 1913, while the average wages per man-shift worked were 9s 6.36d, as against 6s 10d in the pre-war year. It will thus be seen that the average wage paid in the South Wales coalfield is nearly 40 per cent. greater than that earned in 1913, but whereas in the pre-war year the pit-head price of 12s 1.23d yielded the colliery owners an average profit of probably between 1s and 1s 6d per ton, the average price of 12s 8.95d realised in the three months ending last July involved them in a loss of 1s 6.74d per ton. It may be of interest to add that the total costs in the South Wales coalfield of 14s 4.60d per ton compare with 13s 1.50d in Yorkshire, 11s 10.55d in Durham, 11s 8.49d in Northumberland, and 11s 7.34d in Scotland.

South Wales Coal Amalgamation.—It was officially announced at the end of last week that Messrs. Stephenson, Clarke and Associated Companies, Limited, had been appointed the sole vendors of all coal and coke produced by the Powell Duffryn Steam Coal Company, Limited, and its associated colliery undertakings. This combination brings closer together two of the largest coal-producing and coal distributing organisations in the United Kingdom. It is estimated that the present output under the control of the Powell Duffryn Company, including that of the Great Western, Lewis Merthyr, Rhymney and Windsor colliery companies is in the neighbourhood of 10 million tons per annum, and that the potential output capacity of these various colliery properties is considerably in excess of 10 million tons. Messrs Stephenson, Clarke hold a leading position among the coal distribution firms of the United Kingdom, and have large interests abroad, as well as in this country. Under the new arrangement, the coal and coke selling departments of the Powell Duffryn Company at Cardiff and in London have been taken over by Messrs Stephenson and Clarke, and the change took effect as from the beginning of the present month. For a great many years past intimate relations have existed between the two concerns, and one of the most important of the subsidiary trading companies in which they are mutually interested is the Maris Export and Trading Company, Limited, formed in 1920. On its formation eight years ago this company was entrusted with the whole of the export trade of Messrs Stephenson, Clarke and Co., as well as with the French trade of the Powell Duffryn Company. It is part of the new arrangement that this concern shall continue to operate as in the past. No details have been published as to the financial nature of this latest transaction, but the fact may be recalled that when in March last the Powell Duffryn Company informed its shareholders of the terms of the purchase of the collieries of the Great Western and the Lewis Merthyr companies, it deplored what it described as the "uneconomic lowering of the selling value of coal,"

owing to the absence of unity of interests, and added that, with the object of obtaining "the fair and proper value of their coals," the directors had in contemplation "the provision of a more comprehensive selling organisation which, it is hoped, will, amongst other benefits, enable the company's output to be disposed of to the best advantage in a wider range of markets than heretofore." Mr W. R. Hann, the commercial manager at Cardiff, has been appointed a director of Stephenson, Clarke and Associated Companies, Limited, while Mr Ewart R. Evans, who is to have charge of the re-organised offices at Cardiff of Messrs Stephenson and Clarke, is a director of the Maris Export and Trading Company. The immediate effect of the deal is to add one more to the large-scale coal-producing, selling, and marketing organisations already existing at Cardiff. The others include Gueret, Llewellyn and Merrett, Limited, Ocean Coal and Wilsons, Limited, Wm. Cory and Sons, Limited, T. Beynon and Co., and Cory Bros., Limited. These six concerns control to-day probably at least 75 per cent. of the total output in the steam coal area of South Wales. Moreover, it is estimated that close on 80 per cent. of the output of the anthracite coalfield will soon be under the control of the sales and marketing agency of the Amalgamated Anthracite Collieries, Limited.

An American Survey of the British Electrical Industry.

—An inquiry into the British market for electrical machinery and equipment, recently published by the United States Department of Commerce, throws an interesting light on the progress of the British electrical industry as it appears to Americans. Quoting from figures compiled by the B.E.A.M.A., the report notes that a steady fall in the average selling price of electrical goods since 1920 has been accomplished by a substantial improvement in the wages of electrical workers. There has also been a 30 per cent. reduction in the average selling price of electricity. British producers' costs still head the list of European cost of production indexes quoted recently by the chairman of the British Electrical and Allied Manufacturers' Association, and it is inferred that British goods must therefore sell on a quality rather than on a price basis. "Even with these obstacles there is to be noted a gradual improvement in the total British production this year—a rapid increase in sales abroad, with a slower upward curve in the home market. In August, 1927, production for export stood at 236 per cent., as against 102 per cent. in January, 1925, and activity for the home market at 90 per cent. and 98 per cent. respectively. In 1926 an average return on capital invested in the British electrical manufacturing industry amounted to 7.72 per cent. according to the Manual of Electrical Undertakings." The relative position of Great Britain in overseas markets is summed up in these words: "Of the nine countries which show an export balance in the movement of electrical goods overseas, five (United States, Great Britain, Germany, France, and Switzerland) are responsible for very nearly nine-tenths of the total, and the first three share, in about equal proportions, about 75 per cent. of the total. The rapidly-growing importance of the export trade to the British electrical manufacturing industry is shown by the monthly index of activity given. Heavy machinery contracts, mainly in the Dominions, are responsible for the added importance of the overseas trade this year. Great Britain holds first place in machinery exports, with Germany a close second. Great Britain leads in respect to cables and insulated wire, its exports amounting to more than half of the total of the five countries referred to. Exports of telephonic and telegraphic apparatus are quite equally divided among the three big export nations, but in the case of wireless apparatus American and Continental exporters have taken the lead. German producers have featured the export of meters, lamps, and medical apparatus, and the United States holds the commanding position in domestic and industrial appliances, &c." This healthy state of the British electrical industry has been achieved, according to this American observer, while the domestic market is still in a comparatively backward condition. In view of the great promise of development which he discerns in this market, the future of the industry appears most hopeful.

Barrow Haematite Steel Dispute.—A serious divergence of opinion has arisen between certain of the parties concerned in the proposal for a moratorium in respect of the 5 per cent. (tax free) first debenture stock of the Barrow Haematite Steel Company, Limited. A meeting is to be held next week, at which decisions may conceivably be reached affecting all holders of this stock (and, indirectly, holders of the £916,965 issued share capital of the company), and it may, therefore, be advisable to set out the main points at issue, so far as these can be disentangled from the somewhat controversial matter contained in recent *ex-parte* announcements. On June 25th last (as noted in the *Economist* of June 30th) the directors of the company asked the first debenture stockholders to consent to the creation of a prior lien charge for £200,000 and the granting of a moratorium until 1930. The Debenture Corporation, holding £20,000 of the stock, opposed the scheme, and by mustering the support of holders of £245,000 of a total issue of £781,000 (excluding £219,000 held by the company's bankers) prevented the scheme's receiving the requisite three-fourths' majority. The meeting was adjourned, first for a fortnight, then until August 14th, and finally until September. In the meantime, negotiations were carried on between the company and the Debenture Corporation. The former intimated its willingness to make certain concessions. The prior lien issue was to be dropped, and the moratorium period to be restricted to the year ending June 30, 1929, the company seeking increased resources by an extension of its overdraft facilities and the pledging of 11,000 tons of pig-iron for a loan of £30,000, while an Advisory Committee, consisting of Sir Harry Peat, Sir William McIntock, and Mr C. L. Dalziel, was to be advised each month of the position, with power to apply for a receiver if it considered, at any time, that the stockholders' interests were in jeopardy. The Debenture Corporation, in effect, agreed to these proposals subject (a) to a re-modelling of the board of the company and its associate, the Millom and Askam Company, by the retirement of the present chairman and his replacement by one of the existing directors, and (b) that the power to appoint a receiver should rest not with the Advisory Committee, but with the Debenture Corporation, "in consultation with the Advisory Committee." Over these two stipulations the negotiations broke down, and the rival interests—the company and the Debenture Corporation—have since been endeavouring to secure the support of the stockholders by a series of printed appeals. The company declares that it has no control over the Millom and Askam Company, and cannot agree, further, to the Debenture Corporation's being put into a more favourable position than other stockholders. The Corporation's last pronouncement, however, appears to make a definite concession on the latter point, its circular of September 4th declaring: "We shall be quite satisfied if a committee of debenture stockholders is appointed [to receive monthly reports and decide as to a receiver], and we do not desire to be represented on that committee." The directors claim that the company's present plant and organisation are such as to make an eventual recovery possible, but the parties are not, apparently, in agreement as to the construction to be put on a recent letter from two members of the Advisory Committee dealing with the company's financial prospects. The latest concession made by the Debenture Corporation opens up a prospect of agreement on one at least of the two outstanding questions. Stockholders would be well advised to make every effort to attend next week's meeting and to ask for the fullest possible information. The main issue is the company's ability to weather the present depression.

Railway Accidents in 1927.—The Report to the Minister of Transport on railway accidents in 1927 indicates that though the high degree of safety, for which British railways are noted, is being fairly well maintained, there has been no improvement, but rather a very slight retrogression during the past year. No doubt the weather had something to do with this, since the only striking increase in accidents, as compared with the average of the years 1922-26 occurs under the head of accidents ascribed to flooding of permanent way and slips, which

rose from an average of 39 in the five preceding years to 169 in 1927. The total number of persons injured on the railways was 25,403, an increase of 2,877 over the average for 1916-1925, but the number of fatalities, 435, is lower by 83. Taking train accidents alone, there was an almost continuous improvement in numbers of passengers killed and injured from 1875-1922, but since then there has been a slight tendency for these numbers to increase. The numbers of railway servants so injured has been again decreasing since 1925. Of seventeen train accidents into which inquiries were held during the year, five were ascribed to failure or insufficiency of equipment or regulation, and twelve to mistakes of enginemen or signalmen. Accidents ascribed to movement of rolling-stock other than train accidents have resulted in more injuries and fatalities to passengers and other persons than last year, but slightly fewer to railway servants. The large majority of accidents of this class are ascribed to carelessness on the part of the person injured. In the case of injuries from all classes of accident only a very small proportion were sufficiently severe to require detention or treatment in hospital. It must be remembered that in compiling these figures a finger trapped in a compartment door has to be given as much weight as an accident involving permanent disablement; even so, the liability to injury of passengers in 1927 only works out at one in 3.2 millions, and the chance of being killed at 1 in 61 millions. In this respect, at least, the railways have little to fear from road competition.

The International Telegraph Conference.—For a number of years, writes a correspondent, one of the outstanding problems of international discussion among telegraphists has been that of code language in telegrams. This question will be discussed at the conference which opens in Brussels on September 10th. As the law now stands, code words may consist of ten letters, but should bear the similitude of actual words in that they should be "pronounceable." Naturally enough, this has been difficult to define, and the ingenuity of code-makers has made the criterion of little practical use. With stern competition between telegraph administrations to refuse a particular word on the ground of "non-pronounceability" is to take a serious step. Meantime the tariff for unintelligible and unpronounceable groups of letters is at the rate of five letters to the word. Various efforts have been made to find a solution, and proposals have been made to discover a basis which in effect would fuse the "code" word and the "cipher" word. Other proposals have tried to provide a visible rather than a vocal criterion. Whatever happens at Brussels will involve five years' notice before it is brought into effect. Manifestly it is a question of great importance to the commercial world.

The Trade of Australia.—Our Australian correspondent writes:—The preliminary statement of Australian trade for the financial year 1927-28, ended June 30th, shows a decrease of £16,600,045 in gross imports and a decrease of £3,300,024 in gross exports as compared with the previous year. A comparison for the last three years is as follows:—

	1925-26.	1926-27.	1927-28.
Imports—			
Merchandise ..	£ 151,275,754	£ 164,093,984	£ 147,112,964
Gold	362,424	622,610	1,003,585
Total imports ..	151,638,178	164,716,594	148,116,549
Exports—			
Merchandise ..	£ 144,206,877	£ 133,521,412	£ 138,790,910
Gold	4,355,332	11,373,771	2,804,249
Total exports ..	148,562,209	144,895,183	141,595,159

The excess of imports over exports for 1927-28 is only £6,521,390, against £19,821,411 for 1926-27, the alteration being the effect mainly of the curtailment of imports. The present relation between the two sides of the account, however, still reflects the influence of large external borrowing by Government and other public bodies supplemented by a certain amount of investment of private capital from abroad. But for these movements of fresh outside capital to Australia imports would need to be

about 30 millions below exports in order to provide for interest and other payments to be remitted to London and America. Imports of apparel and attire, textiles, yarns, &c. (including bags and sacks), for 1927-28 were £38,511,680, showing a decrease of £3,905,286, and metals, metal manufactures, and machinery were £42,812,259, a decrease of £8,469,804. The latter class of imports includes motor-cars, which only amounted to £8,254,870, a decrease of £5,923,629. The principal exports from Australia for the last three financial years compare as follows:—

	1925-26.	1926-27.	1927-28.
Wool and tops	£ 63,209,876	£ 60,054,360	£ 66,067,762
Wheat and flour	24,026,749	27,039,730	19,859,111
Butter	70,006,830	5,465,347	6,903,918
Sugar	5,313,135	1,730,095	4,020,095
Frozen beef, mutton, and lamb	5,695,385	3,685,605	3,566,473
Lead	4,524,142	3,852,792	3,511,699
Zinc	1,070,202	926,131	1,231,752
Zinc concentrates	1,499,394	551,404	1,477,999
Silver	1,171,790	935,430	940,273
Dried fruits	1,463,417	1,649,153	1,601,831
Fresh fruits	1,553,851	805,573	1,800,620
Hides and skins	8,296,966	8,557,950	9,902,208

Wheat and flour shipments include the second half of one export season and the first half of the following season. After the reduction in the 1927-28 harvest, exports of wheat and flour during the second half of 1928 will be small. The outlook for the 1928-29 crop is at present favourable, with a larger area under crop, but the result will depend mainly upon the weather in September and October.

Cuban Sugar Prospects.—Just about one year has passed since the President of Cuba despatched a representative to other large sugar-exporting countries with a view to bringing about a universal limitation of production. On September 3, 1927, this official arrived in New York, where a cool reception awaited him, since his success would have meant the creation of a board to regulate the sale of Cuban sugar and the taking control of the crop out of the hands of American interests. Then, against the advice of a small minority, the President of Cuba signed a decree (January 21st) confirming the recommendation of the National Sugar Defence Committee fixing the sugar crop for 1927-28 at 4,000,000 tons. Under this decree 3,300,000 tons were allotted to the United States, a market which is fed exclusively by Cuban sugar; 150,000 tons were reserved for home consumption, and the balance for export to other countries. This attempt to influence the sugar situation of the world was predestined to failure in view of the fact that, while the total world crop amounts to between 23,500,000 and 24,000,000 tons, Cuba, although the largest individual producer, can claim less than one-fifth of the world's supply. The President's consent now to repeal the measures of restriction and those permitting official intervention in the sale of the crop is a candid confession of administrative error. The official explanation is that inasmuch as 82 per cent. of the Cuban sugar planters signed a petition requesting the discontinuance of restrictions on the coming season's sugar crops, there was no alternative but to agree. It is believed that an unrestricted sugar crop in Cuba in 1929 may result in a glut of the commodity, and effect a serious breach in the situation of the market. A substantial carry-over of supplies in Cuba and the United States ports at the turn of the year was almost taken for granted. While statistical returns showed that the prospects of over-production and over-stocking during the current season were steadily receding, these, coupled with other indications, suggested an improving position for the commodity. Meanwhile, certain economies have been effected in the cost of production in Cuba, the results of which should be seen in the selling prices during the coming season. Earnest representations were made to the planters (*colonos*) to discontinue some of their wasteful methods of cultivation, and this—among other recommendations by members of the National Congress of Sugar Technologists, who have long considered the problems relating to Cuba's chief industry—having been attended to, substantial benefits for the industry may be looked for. Grinding will com-

mence at the end of December next, and the season's output is estimated at not less than 5,000,000 tons. Last season's production, which ended in June, was 27,649,988 bags of 325 lbs each, resulting in an over-production of 80,758 bags, which went under the control of the National Sugar Commission.

Brazilian Outlook.—The promise made by Dr Luiz Pereira de Souza, President of the United States of Brazil, to the deputation of industrialists who waited upon him towards the middle of the month, begging for some plan for financial reform, is being carried out, as all who know the President believed it would be. With a bold stroke of policy, writes a correspondent, his Excellency has sent to Congress a firm request to proceed with an enactment reducing the number of State functionaries. To anyone who may have had any experience of a South American Republic, and knows something of the immense political "pull" that appointments of State employees comprises, this action upon the part of the Executive must appear particularly courageous. It may be accepted that every dismissed employee, as well as every one of his relations and friends, will cast his vote hereafter against the wielder of the axe. But personal fear or interest has never yet actuated the policy of the former Secretary of Justice of the Sao Paulo Government, who, it may be remembered, upon his formal assumption of the Presidency, studiously refrained from delivering any sort of address or message, leaving his future actions to speak for themselves. Other reforms that may be looked for under the further two years' administration of Dr Luiz include a general reduction of existing tariff duties, already the heaviest in the world, designed as a means to lower the high cost of living; punctual performance of the service of the Brazilian Federal Debt abroad (resumption has already taken place of the obligations under the Funding Scheme of 1914); abstention from contracting any fresh external loans, and increase of the gold reserves so as to facilitate, in due time, the converting of the paper currency. Already the good effects of the policy outlined are manifesting themselves, and the nervous apprehensions that prevailed at the time of the President's advent to office, and the fear that his financial and economic policy would prove premature in view of the then situation of the country, have been entirely falsified; instead of uneasiness in exchange and aggravation of money markets, a calmer state of affairs prevailed—and prevails to-day—than for years past. The Budget for the last financial year showed a surplus, not large, it is true, but worthy of comment in view of the numerous deficits which had been previously recorded. The floating debt has been liquidated; Government stocks are appreciating; and, for the first four months of the current year a trading balance of £3,429,000 stands recorded in favour of the country, as against an adverse balance of £964,000 for the same period last year (January to April), a difference of £4,393,000.

The Egyptian Co-operative Movement.—Some years ago, writes a correspondent, Amine Youssef Bey, the founder of the Egyptian Co-operative movement, was highly commended by Lord Allenby for his work in helping to save Egypt from threatened famine by organising co-operative stores at which food was sold to the people at much lower prices than those charged by private merchants. From these small beginnings the Egyptian co-operatives have now developed into a great organisation. In the course of a recent visit to Germany and Belgium, where Youssef Bey was received by the members of the Governments and the leaders of industry, he was able to observe the support given to the co-operative principle by leading firms like Siemens, Borsig, and A.E.G., which are experimenting with the system of supplying necessities to their employees at cost price. At the present moment thousands of English cotton operatives are either unemployed or working on short time, because, according to one view, the Lancashire manufacturer cannot buy his raw material at an economic price. Yet at the same time the Egyptian *fellah* who grows that cotton lives in misery, so low is the price he gets for his product. Between the native cultivator and the European buyer stand as

many as perhaps a dozen middlemen, all of whom take a profit. Youssef Bey's mission is to suggest to Manchester that it should send representatives to Egypt who will buy their cotton direct from the agricultural co-operatives (to which the Egyptian Parliament has recently voted £1,000,000) at a price which will be higher for the grower yet lower for the manufacturer. Thus, it is argued, while English unemployment will be relieved the Egyptian agriculturist will enjoy a higher standard of living which will enable him to buy British goods sold by his own Consumers' Co-operatives at virtually cost price, and thus to stimulate other trades in addition to the cotton industry.

FRIENDS of the late Mr F. E. Steele, who contributed for many years to the *Economist*, will be interested to learn that the *Bankers' Magazine* is printing a number of hitherto unpublished lectures delivered by Mr Steele, his notes, which were most carefully prepared, having been edited by his son, Mr. Arnold F. Steele. The first of this series of lectures, entitled "The King's English," will appear in the September number of the *Bankers' Magazine*.

Oversea Correspondence.

UNITED STATES.—SHARE MARKET BOOM—FEDERAL RESERVE STATEMENTS—STEEL PRODUCTION—AUTOMOBILES—PRESIDENTIAL CAMPAIGN.

(FROM OUR CORRESPONDENT.)

NEW YORK, August 29.

DURING the past week the share market continued to forge ahead on increased volume, and finally reached new high average values for all time. Speculative interest plainly has been growing, and the turnover on the Stock Exchange on one day reached nearly to the 4,000,000 share level, and on several days passed the 3,500,000 share mark. Multiplying evidence of good and improving business has furnished part of the impetus for the upswing. Much emphasis has been laid on the excellent profits now being made by leading industrial companies, while the July railroad earnings statements are making quite favourable comparisons with those of July last year. With regard to the latter, the first 56 of the Class I. roads to report showed a gain of 11 per cent. in net over July of 1927. However, the more immediate impulse for the latest outburst of activity was furnished by the publication of the brokers' loan statistics for this city on last Thursday afternoon. The period covered by these figures was one of strength in the share market, and a common comment before their publication was that an increase of less than \$100,000,000 probably would be disregarded by the market. As a matter of fact, the statistics showed a decrease of \$22,000,000. This followed a decrease of \$50,000,000 in the previous week, and brought the total for August 22nd down to \$4,201,000,000, or to a point \$362,000,000 below the June 6th peak. Some talk was heard to the effect that liquidation of stale positions in the bond market had been offsetting increased borrowing for stock market purposes; but these explanations are conjectural, and the plain fact remains that the fluctuations in "brokers' loans," being dependent on a variety of influences, are erratic and difficult to forecast.

Meanwhile the Federal Reserve statements revealed no very considerable changes in the condition of the system. About the only change of any magnitude was an increase of \$35,000,000 in discounts for member banks, this being not so remarkable in view of the contraction of \$59,000,000 in this item during the previous week. The total volume of credit being extended on August 22nd amounted to \$1,428,000,000, or to \$390,000,000 more than at the corresponding time in 1927; but this increase is not as large as those noted earlier in the year. Holdings of bills bought in the open market, which had increased \$28,000,000 in the previous week when the Reserve banks were moderating firmness in the money market, were off \$6,000,000, this reduction being consistent with the extreme ease that developed in the money

market after the Treasury paid off Liberty bonds with cash on August 15th in accordance with its expiring offer. During the present week money has been quite firm, as was to be expected in view of the large September 1st settlements and of the large demands for currency that develop in connection with the Labour Day holiday, which comes this year on September 3rd. In the last day or two it has been apparent that the Federal Reserve authorities have been buying bills heavily again, but this time it seems likely that the purchases are being made, at least in large measure, for the account of foreign correspondents who are having large maturities in the bill market. The Reserve banks apparently have persuaded their correspondents to put their money back into the bill market. On the whole, there has been no fresh indication of Federal Reserve policy since the Reserve authorities intervened about two weeks ago to prevent a further rise in the short-term bill rate. Still, there is no reason to suppose that if the occasion arose again the decision of the authorities would be different from that of two weeks ago. A further hardening of the money market or a higher Bank rate apparently is not wanted now. A reversion to a restrictive policy is not likely to be made unless it becomes quite clear that speculative demands for fresh credit are again exceeding reasonable bounds.

Reports from the steel industry show that production is increasing and that prices are firm. Steel factories as a whole now are running at approximately 85 per cent. of capacity, and the prices of pig-iron and steel scrap, which have been weak for a considerable period, are rallying. Automobile buying also continues to be strong, and evidence of the activity of trade is furnished by the statistics of car-loadings, which now are holding their own with those of a year ago, after having run consistently behind during the first half of the year.

The political campaign continues to lag, but may be expected to take on more vigour after the holidays. Hoover has made an organisation tour in the West, and the Republicans assert that he has stopped any farmer bolt. He is now turning his attention to the East, where it is apparent that he is likely to have a real fight in certain pivotal States because of Governor Smith's unequivocal "wet" stand. Meanwhile, the Democrats are considering the amount of appearance that Governor Smith should make in the West. So far the Democratic strategy has been to count on the "solid South" and the wet East, and then to hope to pick up some of the doubtful States. Several more Republican big business men have come out for Smith, but there also have been some Democratic desertions to Hoover. At the present writing the odds seem still to favour the Republican candidate.

FRANCE.—BUDGET PROPOSALS—MONEY RATES—FOREIGN TRADE—IRON AND STEEL OUTPUT.

(FROM OUR CORRESPONDENT.)

PARIS, September 5.

THE disappointment, felt in most sections of the business world, at the absence from the new Budget proposals of any prospect of relief in the immediate future from at least some of the admittedly excessive existing taxes, is tempered by the knowledge that M. Poincaré's estimates are, as usual, so delicately adjusted that any concessions in one direction must necessarily be compensated for by increased burdens elsewhere. The average banker and manufacturer, moreover, is anxious to know as soon as possible the fiscal handicap for the next twelve months, and would prefer even to pay a little more in taxes than be left on tenterhooks until the coming financial year is half gone, which was the common experience during the ten years before M. Poincaré's ministry. The scandal of the incredibly high taxation affecting all kinds of bonds and shares (except State issues and registered—as distinguished from bearer-scrip) is admitted by M. Poincaré himself, and is recognised by everybody as directly due to repeated reckless piling up of imposts on the same forms of "acquired wealth," in response to demagogic political pressure. The root of the trouble seems to lie in the fact that the annual transmission tax imposed (in addition to income-tax) on practically all bearer securities, is not only exacted from holders (on

presentation of dividend coupons) in respect of years when no dividend is paid, as well as for those more profitable, but is calculated on the average quotation of the security during the previous year. The tax, therefore, frequently has no relation to the amount of dividend payable, and many cases have occurred in which it actually exceeds the dividend due. The evil is aggravated by the fact that, if a company has passed its dividend for three or four years, which has frequently occurred since the war, the accumulated arrears are deducted from the first coupon entitled to payment. Foreign shares are affected similarly in respect of *abonnement au timbre* imposts, but in this case arrears are exactable only for two years. The deplorable effect of this factor on the investing spirit needs no comment.

Another factor, which is undoubtedly also retarding new issues of capital, and the general recovery, is the continued dearth of long-term money. The average rate for issues of fixed-interest bonds by the principal French companies, which stood at 10.20 per cent. in January, 1926, at 9.20 per cent. in January, 1927, and at 7.25 per cent. last January, was still 6.35 per cent. in July. The average interest rate on existing issues of variable yield, on the other hand, works out at only 2½ per cent., while at present quotations many leading bank and electrical undertaking shares offer a net yield of only 1½ per cent. In 1913 the ratio between the two classes of issues was exactly the reverse. Shares and bonds paying fixed interest had an average yield of 3.48 per cent., while those of varying dividends averaged 4.02 per cent.

The Bourse has for some time been impatiently awaiting the lowering of the Bank of France rate for advances on securities, which stands at 5½ per cent., which is higher than the "nett" capitalisation of Rentes and other scrip accepted as security, the rate on which works out at present at a trifle over 5 per cent. The steady firmness of the Rente market, however, gives reason to suppose that the desired fall may be expected in the near future.

Incidentally, in this connection, it is somewhat surprising that the State, in spite of the real value of capital, continues to advance money for housing purposes, shipbuilding, agricultural loans, and local government needs at only 4 per cent., and in some cases even less. The difference between the rate at which money can be borrowed by the State, and the rate at which it lends, which is appreciable, has naturally to be borne by the taxpayers as a whole, through the medium of the Budget. The soundness of this policy by which the State substitutes itself for the open market is questionable, but may be excused as being the only feasible way, in present conditions, of furthering the general weal.

The French deficit balance on foreign trade of 1,185,000,000 for the first seven months of the year has excited some slight alarm in a section of the public, but reflection reveals that the situation affords very small reason for pessimism. Analysis of the returns shows that during the past twelve months the proportion of raw materials in the total volume of imports has risen from 28 per cent. to 31.3 per cent., while that of French exports of raw materials dropped from 16 per cent. to 11.8 per cent. The transformation of last year's favourable trade balance (which amounted to 214,000,000 in the first seven months of 1927) into an unfavourable one may reasonably be attributed to the fact that manufacturers were last year, in view of the still unsettled outlook, living on their stocks, and have since the beginning of the year, with the greatly improved conditions, been steadily reconstituting them. The sharp drop in exports of manufactured goods since the beginning of the year may be to a great extent explained by the repercussion which the restriction of purchases of raw materials would naturally have on industry. Manufacturers themselves regard the unfavourable trade balance as merely temporary, and look confidently to a sharp recovery in export trade as soon as the large quantities of raw materials that have entered the country recently have been transformed into manufactured products.

The enormous development of French foreign trade since the war is rendered obvious by a glance at comparative figures. In 1911, 1912, and 1913 respectively the French purchased from their colonies and foreign countries 24 per cent., 18.4 per cent., and 18.3 per cent. more than they exported. If the unfavourable balance recorded during the first seven months of 1928 continues at the

same rate until the end of the year, it will amount to about 2,000,000,000, or less than 4 per cent. of the total imports. Exports, which in 1913 totalled 6,880,000,000, should amount this year, on the basis of the last reported monthly total, to some 50,500,000,000, or, in pre-war currency, to over 10,000,000,000. Exports of metallurgical products have increased in tonnage from 500,000 tons in 1913 to about 2,500,000 tons, machine-made products by over 250 per cent., chemical products by 140 per cent., pottery and glassware by 62 per cent., yarns and piece goods by 34 per cent., while the tonnage of exports of combustibles has tripled, that of mineral ore has doubled, and that of materials, resinous products, common timber, tar, and bitumen have largely increased. As much of this industrial expansion has been due to the reincorporation of Alsace-Lorraine in the Republic, the improvement may be regarded as likely to prove permanent.

Last Thursday's Bank of France statement, which sets forth the situation down to August 24th, records that the Bank's stock of gold now amounts to 30,361,673,000, an increase of 92½ millions on the week and of 1,426½ millions since the date of stabilisation. The foreign exchange reserve, in continuance of what is apparently the Bank's policy of progressively reducing this item, now stands at rather less than 5,500 millions (a drop of 715,687,000 on the week), as against 9,777½ millions at stabilisation. By raising the backwardation rate on sterling, the Bank has taken away all attraction from forward exchange speculation. The Bank's sight engagements—note circulation and creditor current accounts—are shown to be covered by gold to the extent of 39.07 per cent. (as against the 35 per cent. stipulated by the stabilisation law). The Treasury current account now amounts to 7,980½ millions (as compared with 5,078 millions on stabilisation at the end of June), or no less than 4,780 millions more than the 3,200 million "loan without interest" made to it by the Bank on stabilisation, to furnish it with working capital and render borrowing for current use unnecessary.

Steel and iron production in July showed a decline in activity in both branches, the drop in the output of steel on the month being 40,000 tons, and that of iron 7,000 tons. The high figures of the previous months still leave the average tonnage for the May-July period greatly above that of the corresponding three months in both 1926 and 1927. The number of blast-furnaces in operation during July was 148 (or four more than in January last and two less than in April and May), as compared with 190 in 1913, when the total output was 87,000 tons (or over 10 per cent.) less than to-day, in spite of there having been nearly 30 per cent. more furnaces in activity, the improved results being due to better equipment and superior methods of production.

RUSSIA.—CROPS—CURRENCY AND CREDIT—FINANCES—FOREIGN TRADE—INDUSTRY.

(FROM OUR CORRESPONDENT.)

August, 1928.

ECONOMIC conditions in Russia have in general not improved during the past two months. The harvest, it is still claimed, is good, the oil industry is flourishing, and the currency situation—if one ignores the continuing high price level—is normal. But official reports on many important branches are unsatisfactory. Stress is laid upon excessive granting (and yet shortage) of credit, upon failure to realise industrial output programmes, upon declines in absolute output, insufficiency of raw materials, deficits in the State buying-up, difficulties with imported machinery, decline in labour efficiency and discipline, and many other troubles and abuses. It would be precipitate to conclude from these official admissions that an acute crisis is approaching, but it is certain that the current business year, which ends on September 30th, will not be counted as a very good one.

The last crop report, published on August 21st, agrees with that of a month earlier, that the yield is satisfactory, being (cereals only) 15.6 per cent. above the average. The minutely calculated percentage need not be taken too seriously. The good crop, the official indexes show, is due to the success of the spring sowings. The yield of spring wheat is put at 37 per cent. above

the average, whereas that of winter wheat was 8 per cent. below the average. The winter rye crop is returned at 9 per cent. above the average, but is behind that of 1927. The yields of cereals in past years are put in a revised statement at (in millions of puds):—1924, 3,149; 1925, 4,420; 1926, 4,623; 1927, 4,526.

This year's crop of cereals, which is not yet estimated in puds, is put at 8 per cent. above that of 1927. The buying-up campaign, upon which depend export and the supply of the cities, began on July 1st in unfavourable conditions. The quantity of cereals bought up was only 30 per cent. of that of July, 1927. In the first half of August there was a slight improvement, but the bought-up quantity was only 48 per cent. of that of the same half-month of 1927. As to the future of the buying-up campaign, the official Press expresses itself optimistically. It declares that the recent rise in buying-up prices, and the circumstance that more industrial goods are available than last year, will induce the peasants to sell; but it is added that the peasants' demand for manufactured goods is (independently of the better prices which they are now getting) increasing, so that the "wares famine" may continue.

The currency situation in the first three quarters of the present business year has developed more satisfactorily than in the same period of 1926-27. During the nine months the total circulation increased by 73 million roubles, as against 128 million roubles. On July 1, 1928, the total circulation was 1,701 million roubles; at the beginning of the business year (October 1, 1927) 1,628 million roubles. The last statement (for August 16th) of the Emission Department of the State Bank shows, in *tchervontsi* of 10 roubles each: circulation 98,518,557, gold reserve 14,634,481, other precious metals 3,934,974, foreign bank notes 7,937,902, and foreign exchange 270,993. The pressure from industry for credit, in particular from the textiles, iron, and wood branches, is very severe. The quarterly "plans" of the movements of deposits and loans have not been realised. In the last completed quarter, April-June, deposits declined considerably more than the "plan" assumed. Discounts increased by 290 million roubles, as against 219 million roubles planned. Credits to State industry increased by 170 million roubles, as against 88 million roubles planned. Subscriptions to the new Industrial Loan of 500 million roubles are stated to be proceeding satisfactorily, but only from the urban workers. The peasants keep aloof. Official critics complain that the proportion of loan money in the total sum allocated for financing industry and agriculture has been steadily increasing; in the new business year 1928-29 it will be 44 per cent., as against about 27 per cent. in 1925-26. A Bank of State publication suggests that although long-term loans cannot be had from abroad, foreigners may be induced to buy domestic rouble bonds.

The revenue estimate of 1927-28 will apparently be more than realised. Receipts in the first three quarters of the financial year were 4,596½ million roubles, which is 76.1 per cent. of the original twelve-months' estimate. The new estimate is 6,200 million roubles. Expenditure in the first three quarters was 4,514½ million roubles, or 74.2 per cent. of the original estimate.

The foreign trade balance is unsatisfactory. The increase, as compared with 1926-27, in the export of most commodities has not been sufficient to counterbalance the deficit in grain export. The foreign trade turnover in the first ten months of the business year over European frontiers and first eight months over Asiatic frontiers was 1,356.1 million roubles, as against 1,178 million roubles in the corresponding months of 1926-27. Exports were 606 million roubles, which in spite of the grain deficit is little below the 627.7 million roubles of 1926-27; but imports were 750.1 million roubles, as against only 550.3 million roubles. The great increase in imports falls in the main to machinery and other factory equipment, which totalled 212.7 million roubles, as against 111.7 million roubles. As seller Germany led with 189 million roubles, against 111.7 million roubles. Imports from Great Britain were only 32 million roubles. The Trade Commissariat aims at increasing the export of the so-called "minor commodities," that is, those which individually play no great rôle, and it has already had con-

siderable success. In the first three quarters of the year exports without grain were much larger than in 1926-27. Complaints about the management of both import and export trade continue. A part of the imported mill equipment, the large volume of which is responsible for the passive trade balance, is unsuitable for the works to which it is consigned. The official Press mentions cases of machines which were despatched from one mill to another, and not used anywhere; and asserts that bought-up commodities which it proved could not be exported without loss lay in warehouses until they were spoiled.

Complaints about the condition of industry are endless. In the coal-mining branch the chief troubles are "decline of labour discipline" and "desertion." The coal production programme for the lapsed part of 1927-28 has not been fulfilled. In the third quarter of the business year production costs rose nearly 7 per cent. The worst trouble is in the "Donugol" Coal Trust, which is much the most important. Coke output in the first ten months of the business year was only 89 per cent. of the programme for those months. In the first three quarters output of steel and rolled materials exceeded the programme, but output of pig-iron was 3 per cent. below it. In the last reported month, July, however, there was a falling off in the output of all three, and pig-iron output was 9 per cent. below the programme. It is suggested that the programmes were from the first too high. The output of cotton yarn this year so far is 5 per cent. behind the programme. This branch complains of "lack of qualified workmen." It is claimed that textiles are now attaining somewhat better results with the seven-hours day.

The oil industry worked well during the last two reported months, June and July. The July output of oil by the Baku, Grozny, and Emba trusts was 1,033,600 metric tons, which is 13½ per cent. above the programme. For the first three quarters of the present and preceding business years comparative figures are (in metric tons):—

	1926-27.	1927-28.
Baku	5,089,000	5,591,000
Grozny	2,226,000	2,525,000
Emba	179,000	191,000
Totals	7,494,000	8,307,000

The export of oil products in the first three quarters totalled 1,981,500 tons, as against 1,418,000 tons in the same period of 1926-27, and 987,374 tons in 1925-26. Export in this business year so far has increased to all the chief buying countries except France, but by only a small quantity to Great Britain and Italy.

NORWAY.—BOURSE—MONEY MARKET—FOREIGN TRADE—PRICES.

(FROM OUR CORRESPONDENT.)

TRONDHJEM, August 24.

In spite of the holiday season, which usually occupies the latter half of July and the first half of August, business has been comparatively brisk. Thus operations on the Bourse seem to have reached a higher figure than usual at this season, whaling and shipping being the leading features, but with a fair interest also in other shares, such as industrials and banking. The better tone on the freight markets—especially for tonnage from Canada and Finland—has done much towards stimulating public interest in shipping shares. Although the numerical position of Norway among other seafaring nations has receded by a few places during the latter years, her fleet is now in such an excellent condition that the prospects for Norwegian shipping during the coming season should be fairly bright. As to whaling, the season is now just beginning, and in these days most of the Norwegian expeditions are leaving for their respective fields of operation in the Antarctic regions. Industrial shares are firm, Borregaard and Union Company included, in spite of the still unsettled dispute in the paper concerns, involving about 12,000 men. However, it is expected that an agreement will be reached in the course of the next few days, through the agency of the Official Mediator. Pending this solution, the paper market is, of course,

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quiet, while the pulp market (especially as regards chemical pulp) is firm, most of the mills being sold out, and forward sales are therefore being closed at steady prices.

Judging by the position of the Norges Bank August 23rd, as well as the latest returns of the big Oslo banks, the conditions on the money market have not undergone any change for the worse during the last three or four weeks. Deposits are rising slowly, while loans and advances are being reduced. There is an increase in the holdings of foreign exchanges of the Norges Bank of about 4 million kroner since last return, the note circulation shows a contraction of some 5 million kroner, while loans and advances have gone down by about 7 million kroner. A reduction of the Bank rate would not seem unwarrantable in view of the domestic situation, and would, of course, be a very welcome boon to trade and industry, but on account of conditions in the international money market (for instance, in Sweden), there are no immediate prospects of such a step.

The foreign trade figures for July compare very favourably with those of last month, the excess of imports over exports having decreased to about 15 million kroner from 32 million kroner in June. In July, 1927, it amounted to 19.3 million kroner. The total value of imports in the period January-July aggregates 566.8 million kroner, which compares with 516.8 million kroner for the corresponding period of 1927. The total value of exports during the same period amounted to about 388 million and 387.5 million kroner respectively. Among the chief import items are:—Vessels and machinery, valued at 7.3 mill.; colonial produce, 5.1 mill.; and cereals, 4.3 million kroner. The chief exports are:—Paper and pulp, valued at 13.7 million kroner; meats, &c., 11.4 mill.; and fats, 3.9 million kroner.

The cost-of-living index, as computed by the Central Bureau of Statistics on July 15, stands at 193 (inclusive of taxation) which is exactly the same as for the preceding four months. The general wholesale price index, as on August 15th, remains unchanged since last month at 162, while in August last year the figure was 167.

TURKEY.—RAILWAY EXTENSIONS IN ASIA MINOR—DROUGHT IN ANATOLIA.

(FROM OUR CORRESPONDENT.)

CONSTANTINOPLE, August 20.

In the early part of 1927 a contract was entered into between a Swedish Industrial Syndicate and the Turkish Government whereby the former undertook the construction in Asia Minor of the following railway lines:—Angora-Eregli, which was to place the Turkish capital in direct communication with the Heraclea coal-basin on the Black Sea littoral; a branch-line from the latter to Syud-Euzu, and a further main line striking into the heart of the Oriental Provinces, and destined eventually to link up the capital with Diarbekir via Keller-Malatia. In addition to the foregoing, the Swedish group contracted for the construction of up-to-date harbour works at Eregli or Heraclea to take the place of the exiguous camber which now accommodates vessels of limited tonnage only. The contract provided, incidentally, for the delivery within a stipulated time-limit of 100 locomotives.

of this measure ever becoming law, but it shows the trend of Argentine opinion. The freight market remains steady, with a decidedly firmer tendency for new season's business, 23s being booked for January/February loading on the San Lorenzo range, with 21s as the current quotation. In the matter of the railway tariffs the Southern has followed the lead of the Central Argentine in accepting under protest the call to present a new schedule of rates based on those ruling in 1922. It is therefore reasonable to predict that a similar attitude will in due course be adopted by the other lines, though at the moment of writing no further official intimations have been published. It is believed that the next line to receive the attention of the Dirección General de Ferrocarriles will be the Pacific. Rumoured extension of American interests in this market is rife, it being said that a controlling interest has been obtained in the Compañía Italo Argentina de Electricidad, the second largest light and power installation in the country. American interests are also credited with having bought an electric company in Bahía Blanca and a large wholesale bakery in Buenos Aires, while there is again talk of their acquisition of the Central Córdoba Railway, though, very naturally, no confirmation of this rumour can be obtained.

Books and Publications.

THE TRUST PROBLEM.

MR. A. P. L. GORDON'S study of the trust problem* in its most modern phase deals briefly and in general terms with the economic implications of monopolistic control, but its main focus is upon the development of the problem in Germany, and Germany provides the bulk of the specific examples quoted in the text. The book is divided into two parts. Part I. deals in brief outline with the kartell system as it has developed in modern Germany. Part II. concentrates upon the disputable problem of legal status and control. It is in this latter section, more especially in that part of it which deals with the nature and operation of the German *Kartellverordnung* of November 2, 1923, that the main interest of the book lies.

This far-reaching post-war German Decree was promulgated by virtue of special enabling powers conferred upon the Government under pressure of a conflict of interest between the price policy of the kartells and the stabilisation policy of the Chancellor. It did not, however, as might have been expected, take the form of an emergency measure dealing with specific and immediate abuses. It seeks to provide a permanent and constructive legislative background for industrial combination, to which it attempts, as the author points out, to give security while mitigating abuses. In so doing it "bears unmistakable traces of a policy favourable in principle to the system of combination." Here, of course, we see its essential continuity with traditional German policy which contrasts so vividly with the time-honoured British attitude to the whole problem of industrial monopoly in its manifold forms. Briefly, the *Kartellverordnung* extends legal protection to all written agreements involving the usual forms of combination, vertical as well as horizontal, but under given conditions and by given means objectionable agreements can be declared null and void and thereby excluded from the scope of such protection. A Kartell Court is established, representative of the various economic interests involved, whose decisions are binding upon all existing courts of law. The actual text of the Decree, an elaborate document of some 23 sections, is given in the appendix. In contrast to these German developments, which he outlines with brevity and lucidity, the author then summarises the somewhat in-

determinate position of the British common law in regard to contracts in restraint of trade. His constructive proposals for his own country conclude Part II. Clearly the German Kartell Court savours too much of the *droit administratif* to be transplantable to British soil. On the other hand the handling of kartell questions by the ordinary courts being, in his opinion, unsatisfactory, he urges the establishment of a Combinations Commission appointed by the Crown with powers involving the right to appeal against specific economic abuses, which are outlined in some detail.

An informative little bibliography concludes the book, to which we are tempted to suggest one addition—the Ministry of Reconstruction Report of a Committee on Trusts might well be supplemented by reference to the admirable reports on individual trustified industries published by the Central Profiteering Committee during its short period of activity in 1920 and 1921.

ADAM SMITH.

THE year 1776 was remarkable for at least two publications, the American Declaration of Independence and Adam Smith's "Wealth of Nations," both of which have exercised an influence on subsequent thought and action which it is almost impossible to assess. If the results of the Declaration are more obviously embodied in concrete institutions, they have had also reactions on political thought as subtle and as penetrating as those of "The Wealth of Nations" on economic thought. When it comes to the task of saying what those reactions are the baffling complexity of the problem at once stands out. The sesquicentenary of the publication of "The Wealth of Nations" in 1926 furnished an occasion for attempting this appraisal of the author and his significance, and a notable series of lectures by American economists then delivered has now been published.*

Of the seven lectures which make up the book, Professor J. H. Hollander contributes two on a subject which he has made specially his own—the history of economic thought in the periods immediately before and after Adam Smith. The amount of information which he has contrived to pack into these two lectures must have made them difficult for his audience, but they, and the wider public which this book will reach, will be glad to have in a permanent form so admirable a guide to a bewildering subject. Much the same can be said of the concluding lecture (by Melchior Palyi), who, in an extraordinarily erudite contribution of some 50 pages, outlines the immediate effects of Adam Smith's work on thinkers on the Continent.

Professor J. M. Clark always writes in a stimulating way and his lecture, "Adam Smith and the Current of History," is another example of his facility in taking a broad, philosophical view of his subject. The philosophy of economic history is no less a treacherous subject than the philosophy of history proper, and some of Professor Clark's generalisations, which lack of space obviously prevented him from elaborating, may strike some of his readers as a little hardy. In selecting Smith's "Theory of Value and Distribution" for the subject of his lecture, Professor Paul H. Douglas has made an illuminating contribution to what may be called the pathology of economic theory. He works out in an admirably clear manner the thesis which has already been advanced, that Smith's contributions to this field, when pushed to their logical conclusion, produced the post-Ricardian Socialism and most systematic work of Karl Marx.

The two remaining lectures, "Adam Smith and Laissez Faire" (Jacob Viner) and "Adam Smith: Moralist and Philosopher" (Glenn R. Morrow), are closely related in subject matter, and their apparently conflicting interpretations of Smith's general theories of life in society as revealed in the "Theory of Moral Sentiments" and "The Wealth of Nations" are principally differences of emphasis in two painstaking pieces of analysis. As a whole the book is worthy of the occasion and of its authors, and it will form a valuable addition to the literature of economic thought.

* Adam Smith. Lectures to commemorate the sesquicentennial of the publication of "The Wealth of Nations." Royal 8vo, pp. ix. + 241. The University of Chicago Press. \$3.

SOME ASPECTS OF APPLIED ECONOMICS.

IN his second edition of "Economics of Social Problems" Mr Silverman brings up to date (May, 1928) his competent survey of what he calls "social economics." Perhaps the least satisfactory feature of the resulting volume is the author's preliminary definition of its scope. For by what logical principle of selection is it possible to include in "these questions that concern the mass of the people in their everyday lives," a study of co-operation, and omit a study of monopoly control in relation to the consumer? By what logic is housing preferred to education? But the author would probably reply to any such criticism, one cannot deal with the whole gamut of socio-economic phenomena in one small cheap book, and, at any rate, he has given us a very effectively organised "Cook's tour" round a group of subjects intimately connected with the life of the wage-earner, and habitually (if somewhat illogically) treated in isolation. Wages, conditions of labour, trade unionism, co-operation, unemployment, destitution, insurance, and housing, comprise his subject matter.

One or two isolated criticisms of small points occur to the reader. It is unfair to credit J. S. Mill with having "developed" the wage fund theory. He took it much as he found it, and subsequently hammered the first nail into its coffin. The statement that "some employers, especially education authorities, have gone so far as to dismiss the married women employees . . . in order to relieve unemployment among the unmarried women" over-supplies the complex of motives which in practice inspire such a policy. To credit the Speenhamland system to "the justices of Speenhamland" conveys an inaccurate impression of the nature of that famous meeting of J.P.'s from the county of Berkshire. In reference to the problem of family endowment, the uncriticised suggestion that many labour organisations prefer an all round increase in the standard of living which shall obviate the necessity for outside support, suggests that the author has failed to grasp the starting point of this particular agitation, i.e., the statistical proposition that no universal minimum wage can be drawn at such a level as to correspond with the peak period of waxing and waning family need. Had he grasped this his treatment of the question would doubtless have fallen into its logical place in connection with the minimum wage, instead of being treated as a problem of "women's work and wages."

BOOKS RECEIVED.

[Brief mention of a book in this column does not necessarily mean that it will not receive fuller notice in a subsequent issue.]

Statistical Laws of Demand and Supply, with Special Application to Sugar. By Henry Schultz. (Chicago) University of Chicago Press. 15s net.

A remarkably interesting experiment in the correlation of pure economic theory with published statistics. The author has attempted to derive the demand and supply curves for sugar, and in doing so has inevitably contributed to the elucidation of the pure theory of the subject.

The Economic Problems of Europe. By M. Philips Price. With a Foreword by the Rt. Hon. Sidney Webb. (London) George Allen and Unwin, Limited, 40 Museum street. 8s 6d net.

This is another of those rare and welcome books which attack a given problem or problems as a subject of European, instead of purely national importance. Rather more than half the book is devoted to sketching in the pre-war background, and much attention is given to the growth of capital export. The rest deals with attempts to solve post-war problems; surveys the prospects of colonial and of home markets, and concludes with a tentative discussion of future possibilities.

Annuario Statistico Della Emigrazione Italiana dal 1876 al 1925. (Rome) Commissariato Generale Dell Emigrazione.

This volume of some 1,700 pages contains a complete and highly classified record of emigrants from Italy since 1876. For the years 1904-25 even more detail is given, and the book should prove invaluable to students of migration.

Coal, Iron, and Steel in Europe. By E. F. Willett. (New York) Ditton, Read, and Co.

This useful investigation into the output and export of coal, iron and steel in the leading producing countries has been made with the object of ascertaining, as far as possible, the relative

* "Economics of Social Problems." By H. A. Silverman, B.A. University Tutorial Press, Limited. 5s 6d. Pp. xi. + 399.

position of these countries, and determining which of them appear to be most strategically placed for furnishing the future international demand. There are numerous tables, and the study is well documented.

Goat Grazing and Forestry in Cyprus. By A. H. Unwin. (London) Crosby, Lockwood, and Son, Stationers' Hall court, Ludgate hill. 7s 6d net.

An account, illustrated by the experience of other countries, of the direct and indirect damage to forests, private property, soil and water supply, caused by goat grazing in Cyprus, and of steps which are being taken to limit it.

American Prosperity. By Paul M. Mazur. (London) Jonathan Cape, 30 Bedford square. 9s net.

A discussion, in popular form, by an American banker of the causes and consequences of American prosperity.

Indigenous Indian Banking. By M. S. M. Gubbay. (Bombay) D. B. Taraporevala, Sons, and Co., 190 Hornby road, Fort. 3s.

A reprint of an interesting paper and discussion on those Indian banks which have rupee capital and local management.

Expansion und Restriktion des Bankkredits. Von Ernst Bolender. (Berlin) Wilhelm Christians Verlag. Unterwasserstr. 8.

A small brochure on the causes and consequences of credit expansion and credit restriction.

Stock Exchange Underwriting. By C. Copley-Singleton. Underwriting News, Limited, 52 Queen Victoria street, E.C. 4.

A brochure for the guidance of non-professional underwriters.

City of Manchester. Abstract of Accounts for Year Ending March 31, 1928. (Manchester) City Treasurer, Town Hall.

The complete accounts of all departments of the city for the year 1927-28.

European Economic and Political Survey. July, 1928.

(Paris) Reference Service on International Affairs, 10 Rue de l'Elysée. \$10.00 a year.

The current issue of this fortnightly review deals, *inter alia*, with radio broadcasting in France and in Russia, and with German commercial aviation.

The Round Table. September, 1928. (London) Macmillan and Co., Limited, St Martin's street. 5s.

This issue contains, among many others, articles on "The Task of the Simon Commission," "The Peace Pact," "China in 1928," "Al Smith and Mr Hoover," "The Birthrate and the British Commonwealth."

International Labour Review. August, 1928. (London) George Allen and Unwin, Limited, 40 Museum street. 2s 6d.

Most of the articles in this issue are continuations of those of July, viz.:—"Seasonal Unemployment in the Clothing Industries"; "Shop Closing Legislation in European Countries"; "The Regulation of Hours of Work in European Industry"; There is also an account of recent wage changes in Spain.

The 100 Best Investments. August, 1928. (London) British, Foreign, and Colonial Corporation, B.F.C. House, Gresham street. 1s net.

A manual for the investor, giving general information about the most promising lines of investment, tables for calculating yields, and a list of 100 recommended securities in order of yield, with full particulars of each.

Safety First. (London) National "Safety First" Association, 119 Victoria street. 1s.

Includes a full report of the Geneva International Conference on Safety in Industry.

British Railway Securities, 1928. (Cardiff) Business Statistics Company, Limited, The Exchange. 2s. 6d.

A brief introduction summarising recent legislation affecting British railways is followed by tables showing, for each of the four groups, the character of its stocks, with dividends on each for the last five years, the principal items of capital expenditure and of receipts, the appropriation account for 1927, and a summary of financial results for the past five years. It is no doubt useful to have this information collected into pamphlet form, but half-a-crown seems a high estimate of its utility.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:—

Accounts Relating to the Trade and Commerce of Certain Foreign Countries and British Countries Overseas, including Figures Received up to June 15, 1928. 6s 6d net.

British Sugar (Subsidy) Act, 1925: Statements, in the Form of Balance-sheets, of Companies which Manufactured, in Great Britain, in 1927-28, Sugar and/or Molasses from Home-grown Beet. Section 1—Factories. 3d net.

Colonial Reports: No. 1393—New Hebrides, 1927. 9d. net.

* "The Problem of Trust and Monopoly Control." By A. P. L. Gordon. Routledge and Sons, Limited. 5s. Pp. viii. + 183.

The Stock Exchange.

THE OUTLOOK FOR TEA SHARES.

THE last few months have not been altogether a satisfactory period for holders of tea shares. The rise of Stock Exchange quotations for the leading companies, which gathered considerable momentum in the autumn of last year, suffered an appreciable check before 1928 had well begun, and though there have been fluctuations during the spring and summer, the trend of the last few months has definitely been downwards, and the current level of quotations is just about where it stood 13 months ago. Judged, however, by the standards which must be applied to securities falling within the speculative category, the decline has been persistent rather than extensive. Holders, in fact, have had no fear of any impending development calculated to undermine the whole market position—as the decision to abandon restriction, for instance, has taken the bottom out of the rubber market—but they would seem to be somewhat apprehensive of a possible narrowing of the profit margin of the chief British companies. The reasons for this attitude deserve closer examination.

The most recently published company reports (which refer, for the most part, to the calendar year 1927) certainly do not show any *prima facie* evidence of an unsound position. The industry made a rapid and complete recovery after the black year, 1920, and though subsequent results have been by no means consistent, the industry as a whole may be said to have fluctuated “at prosperity levels,” as the following figures of recent profits and dividends of six well-known concerns suggest:—

NET PROFITS.

	1924.	1925.	1926.	1927.
Consolidated Tea and Lands	£666,732	£600,960	£551,221	£649,764
Jokai (Assam)	243,828	181,530	185,322	229,408
Amalgamated Tea Estates	322,052	288,734	290,011	277,059
Jorehaut	192,811	157,231	126,560	156,706
Ceylon Tea Plantations	227,714	334,725	263,188	238,658
Eastern Produce and Estates	180,529	220,328	188,067	181,960

ORDINARY DIVIDENDS.

	1924.	1925.	1926.	1927.
Consolidated Tea and Lands	37½	30	30	32½
Jokai (Assam)	45	37½	40	45
Amalgamated Tea Estates	35	35	37½	37½
Jorehaut	50	40	35	37½
Ceylon Tea Plantations	50	60	50	45
Eastern Produce and Estates	42½	50	42½	40

The gardens of the first four companies are situated in India, those of the remaining two in Ceylon. Broadly speaking, 1924 was a very satisfactory year, 1925 and 1926 somewhat less satisfactory, while 1927 marked, on the whole, an appreciable improvement. These features are brought out more clearly by the accounts of the Indian than of the Ceylon concerns, the latter being also large rubber cultivators whose receipts in 1925, and to a less extent in 1926, were swollen by the rubber “boom.” High profits and dividends are, of course, to be discounted to some extent in a so-called “speculative” industry open to the vagaries of climatic and other factors; but even so, the above figures suggest that, despite considerable year-to-year fluctuations, the industry has maintained itself in a markedly prosperous condition, and that the “capitalisation” of the average company is lower than is the rule in most other industries. It should be pointed out, further, that the rates of dividend shown above have been paid after putting significant suras to reserve. During the four

years in question Consolidated Tea and Lands increased its reserve by an aggregate of £260,000, Jokai by £144,984, Amalgamated Tea by £228,350, Jorehaut by £40,000, Ceylon Tea by £71,000, and Eastern Produce by £75,000.

Before one can presume, however, to say how far such past results throw light on future prospects, it may be well to examine the same companies’ returns of annual crops and the prices at which the latter were marketed:—

CROPS AND SELLING PRICES.

	Size of Crop (Thou. Lbs.)				Average Price Realised.			
	1924.	1925.	1926.	1927.	1924.	1925.	1926.	1927.
Consolidated	16,850	15,792	18,590	19,033	13.24	16.81	15.35	17.09
Jokai	9,081	8,264	9,534	9,020	18.93	19.52	17.58	18.96
Amalgamated Tea	5,856	5,588	6,087	5,463	19.76	19.32	18.25	19.59
Jorehaut	6,232	6,654	5,976	5,864	20.01	21.49	19.31	19.90
Ceylon Tea	5,313	5,165	5,221	5,229	17.93	19.32	17.77	19.03
Eastern Produce	5,549	6,022	5,931	6,187	17.75	17.75	17.25	18.25

A caveat must be entered here. The size of crops varies according to the “plucking” policy adopted, as well as to climatic factors. Bad weather may not only reduce the quantity of leaf obtained, but lower its average quality, so that any upward tendency in world prices, due to decreased supplies, may be partially or wholly offset, for particular growers, by the lower average quality of the crop. Conversely, in good years finer plucking may tend to raise the average selling price. On the whole, however, the evidence suggests, as regards the Indian companies at least, that whereas the drop in profits in 1925 was attributable mainly to a decline in crops, the level of selling prices was the more important factor in earnings in 1926, and particularly in 1927.

This latter tendency is significant in view of the present market situation. Broadly, the world’s tea stocks at the moment are considerable, but they are mostly held in London, and whereas there exists a strong demand for the better qualities (which come, to a large extent, from areas subject to climatic uncertainties), the world has more than enough of common teas. Java, in particular, has become a large supplier of the latter, at decidedly low costs of production. A year ago Java teas fetched 1s 4.32d a lb at the London auctions. Last week the average sale price was 10.59d. Indian and Ceylon descriptions, it is true, are also much lower than at this time last year, but a firmer tendency has recently been noticeable. The average price of the packages sold in the London tea market on Northern India account last week was 1s 4.38d, against 1s 2.17d at the August 2nd sale, and 1s 11.58d for the week ended September 2nd last year, the corresponding figures for Ceylon teas being 1s 6.29d, 1s 4.78d, and 1s 9.97d respectively. The Northern India quotations, however, are to be regarded as highly tentative, everything depending on the figures for the current crop. Unfavourable conditions in Northern India would tend to strengthen the market for all grades, but commoner grades would, in the long run, benefit to a proportionately greater degree than the finer qualities.

The above analysis serves to indicate that the caution recently displayed by holders of tea shares has a certain foundation in fact. That profits in 1928 will be up to the 1927 level appears doubtful in view of the lower average selling prices which have so far prevailed this year. But it should be remembered that, so far as Northern India is concerned, only an infinitesimal proportion of the crop has up to the present been sold at this lower level. Tea, however, is an extraordinarily resilient product, and any appreciable decrease in the visualised supply is always promptly and definitely reflected in market values. During the next few months, however, the distinction mentioned above between the market prospects of the finer and commoner teas may be still further emphasised, and its effects on the earning power of individual companies may call for careful consideration by the investor.

FOREIGN STOCK MARKETS.

I.—BERLIN.

In view of the increasing interest in this country in the movement of securities on foreign bourses, we propose to survey the course of events in a few important centres in the last five years, and thereafter to keep readers continuously in touch with market movements in those centres.

FOR practical purposes the post-war history of the German Bourses begins in 1924, the first year of stable currency, or perhaps in 1925, when the last company balance-sheets were converted from a paper mark to a gold mark basis. In order to view subsequent conditions in their proper context, however, it is necessary to understand the condition of the Bourses in the years immediately preceding the currency stabilisation.

During the inflation period stock prices, like all other values, were quoted in paper marks of rapidly varying and mostly depreciating gold value. Bourse securities followed the rule of commodities of all kinds in that their prices (in paper marks) rose when the exchanges rose against Germany, and fell when, as sometimes happened, the exchanges temporarily recovered. This rule, however, did not apply as consistently to stocks as to commercial wares. Various factors, in particular shortage of liquid capital, sometimes prevented stocks from rising in accord with the exchanges, and occasionally stocks rose more than the exchanges.

The currency stabilisation put an end to such stock quotation fluctuations as were due to changes in the value of the mark. Even before the creation of the present reichsmark stocks were quoted in money of unchanging value. But there is no real continuity between the first post-stabilisation stock prices and the prices of to-day. The intervening factor is the compulsory compilation of gold mark company balance-sheets. During the inflation most companies increased their capitals, receiving paper marks of varying value; the gold value of their debentures and other debts was automatically almost reduced to nothing by the depreciation; and other changes in values took place. The gold mark balance-sheets were therefore not mere restatements of paper mark assets and liabilities at the new stabilisation rate. They expressed (or were supposed to express) a complete revaluation of all items. The paper mark capitals were necessarily scaled down, the ratio varying enormously. Some capitals were scaled down in the ratio of 1,000 to 1; some companies which had not watered their capitals found it, nevertheless, necessary to scale down; and some favoured companies did not scale down at all.

This *Goldumstellung* threw very little light upon the real condition of companies. The companies adopted different methods of valuation. In few cases could the new balance-sheets be compared with those of pre-war days. The names of the companies remained, but their dimensions and the scope of their activities had often changed radically, and there had been a great many fusions. The new gold mark capitals of “heavy industry” and manufacturing companies tended to be larger than before the war; the new capitals of companies engaged in trade and communications tended to be smaller. Banks, whose chief asset, money, had depreciated, had to scale down heavily; but their stocks immediately after the issue of the gold mark balance-sheets were quoted relatively high. In general, the scaling down was not sufficiently severe to justify quotations at par. In June, 1914, the average quotation of stocks on the Berlin Bourse was 165.3; in July, 1925, only 87.2.

Owing to doubt as to the real value of stocks after the issue of gold mark balance-sheets, and owing to money market instability, the first three stable currency years, 1924 to 1926, witnessed extraordinarily wide fluctuations in Bourse quotations. Before the war the average quotation of stocks in one year seldom varied more than 25 per cent. After the stabilisation quotations doubled or halved in six months. In 1924 the stocks index fell from 100 on January 4th to 45.3 on June 13th, and rose to 98 by December 31st. In 1925 the average quotation fell about half in eleven months. On an index basis of 100 for January 2, 1925, a high point of 115 was reached on January 31st, but there was an almost unbroken fall to 8.31 on January 2, 1926. Extreme pessimism prevailed

throughout 1925, despite certain favourable factors. One such factor was the restoration on October 1st of trading for future settlement, which was suspended during the war. Another was the settlement of the Stinnes difficulties, and yet another the decision of the United States to restore sequestrated German property. This decision affected shipping shares, which rose considerably towards the end of the year, but the mass of stocks continued to decline.

The year 1926 was one of pronounced boom conditions. On the first Bourse day a rise of quotations began, which lasted, with temporary reactions, until May, 1927, by which time many leading stocks had risen fourfold, or even more. The causes of this boom were several. A reaction was due from the extreme depression of 1925. Money was cheapening, and it continued cheap until early in 1927. In May, 1926, came the British coal strike, which sent up German coal and iron stocks and affected other stocks indirectly. Heavy foreign buying took place, owing in part to “the flight from the franc,” in part to the international conviction that German stocks in 1925 had been far below their real value. An final factor was the “favourable” foreign trade balance. On the index basis of 100 for January 2, 1925, stocks began 1926 at 58.31 and ended the year at 129.49. The public speculated recklessly. Even in the summer of 1926 some of the leading banks held that the rise—which, as later events showed, had scarcely begun—had gone much too far; but as the boom progressed such warnings ceased, and the higher stocks rose the more optimistic became public sentiment. The banks themselves helped the upward movement by liberally granting contango credits and loans.

At the end of 1926 the conservative view was that the great boom was about to end. It continued, however, during the first four months of 1927. At first the money market position was favourable; and the Government took such an optimistic view of the national reaccumulation of capital that it discouraged borrowing from abroad, and in February issued the first funded loan since the war. This loan was a dubious success, and nervousness about the money and capital situation set in. Stocks, however, continued to rise to a maximum average level on May 2nd. On May 12th, however, the Reichsbank induced or compelled the leading Berlin banks to undertake to reduce their Bourse credits by 25 per cent. before mid-June. This led to a violent panic on May 13th, with very heavy falls in quotations. The decline continued until the end of the month, and was followed by a considerable recovery in June and July, and by a new fall which lasted until about the end of November. During the present year stocks fell in the first quarter, but up to the moment of writing there has been no pronounced movement one way or the other. The highest price for the majority of stocks was reached at the beginning of June, but there has since been a moderate decline, due, apparently, to international influences.

For measuring current price fluctuations, use is frequently made of a new index compiled by the *Frankfurter Zeitung*, which is based on the average quotations of 1926, when prices were well above the extremely low level of 1925, but below the top prices of 1927. If the average price of 1926 is taken as 100, the extreme movements of the Berlin Bourse since the beginning of 1927 have been:—January 3, 1927, 141.82; May 2, 1927, 177.46; June 1, 1928, 136.76; January 6, 1928, 144.64; August 24, 1928, 141.36.

In pre-war years the Berlin Bourse moved in close accord with the Bourses of Vienna and Prague, and independently of London, Paris, and New York; but of late Berlin seems to have been influenced by foreign stock exchanges, in particular by New York, so far, at least, as the general movement is concerned. Leading individual stocks have moved independently of the general movement far more than used to be the rule. The Bourse has been dominated by “favourites,” which sometimes move up or down to a much greater extent than the main body of securities, and have often moved against the main current. Electrical, potash, Reichsbank, artificial silk, and gramophone stocks have been favourites for some time past. Since March artificial silks have fallen heavily; and during the summer coal and iron stocks, which were long neglected, rose considerably.

THE WEEK IN THE MARKETS.

SETTLING DAYS.

TICKET. ACCOUNT.
September 11. September 13.

THE week opened cheerfully, but quieter conditions speedily intervened. Gilt-edged stocks maintained their recent firmness, but the industrial markets tended to become increasingly irregular. Some amount of realisation was in progress, and the absence of a firm lead from New York was noticeable. On Monday, when the latter centre was on holiday, business in London tailed off unmistakably as the day progressed, and later in the week the unsettled tone and wide price fluctuations prevailing on the American side were reflected in conditions here. It is clear that while investment securities may continue to be in steady demand, the outlook for many of the more speculative groups of shares cannot be divorced from the uncertainties surrounding the American position.

British Government stocks were not widely dealt in, but the tendency as a whole was firm. Credit was in short supply in the money market, and though the funds disbursed by way of interest and dividends on September 1st found their way slowly back, high rates prevailed, and money was borrowed from the Bank on Monday and Tuesday. Under these conditions the volume of business done in the "House" could not but be restricted. Victory bonds, however, reflected the reinvestment of some of the principal paid off on September 1st, and the funds available as a result of National War bond repayment were also a factor. India Loans received moderate support. A steady inquiry was maintained for Colonial stocks, Australia Five per Cent. Loan advancing to a premium.

Quiet conditions, but a firm tone, were similarly the order of the day in the Foreign market. European loans tended to gain ground, Greek bonds being especially in request. Among South American stocks, Brazilian met with a steady inquiry. Chinese bonds were uninteresting, but Japanese attracted slightly more attention than of late.

Though quotations in the Home Railway market showed, as a rule, little change from day to day, the tone was better than in some recent weeks. A relatively moderate inquiry at times encountered a shortage of stock, particularly in the case of Great Western. The week's traffic returns were not particularly encouraging, but the market was in a mind to view them with philosophic eye. Underground electric issues were in renewed request. In Foreign Rails, on the other hand, there was an appreciable falling off of interest, though only a moderate amount of selling was in progress. Argentine stocks were inclined to weakness, and among Brazilians San Paulo further declined. Canadian Pacifics, however, rose in striking fashion.

The industrial markets were affected by the unsettlement on Wall Street, profit-taking, and a general reluctance to increase commitments as the end of the account drew near. Some sharp advances were registered early in the week in the gramophone group, but later conditions became much more irregular, the Columbia Graphophone dividend falling below expectation. Artificial silk shares were under a cloud, the reductions in yarn prices made by Courtaulds and British Celanese causing some selling, while the reduction in profits and dividends announced by Wardle and Davenport was another reminder of the increased competition now prevailing. Tobacco shares, on the other hand, were a strong feature, British-American being bought on rumours of an impending increase in dividend, and possibly, a bonus to shareholders. Match shares were firm in the early part of the week, but eased later. Marconis were decidedly irregular, and tended to lose ground. The cable group as a whole was quiet but steady. Imperial Chemicals reacted, and Salt Unions came on offer. Greyhound shares were again depressed. Watney-Combe deferred was the most striking feature in the brewery list. Mond Nickels came in for further attention. The effects of recent efforts to improve the position of Chilean nitrate producers were still in evidence, the leading company shares showing further strength. H. P. Sauce was largely purchased, especially on provincial account. John I. Jacob was active. A steady investment demand for ba-

and insurance shares was, as in previous weeks, one of the most gratifying features of the week's business.

The rubber share market was dull on further weakness in the price of the commodity, relatively small offerings causing numerous falls in quotations. Tea shares remained a sensitive market, for reasons which are described in detail in a leading article above. Quiet conditions characterised the oil share market, the Continent showing decreased interest in many speculative favourites. French influences, however, played an important part in the mining markets. Early in the week the renewed professional interest taken in Paris, following the month-end settlement, in a fairly wide range of stocks, was mainly responsible for a rise in Union Corporation and De Beers, while Rio Tinto advanced, and tin shares were better. The tendency became less prominent as the week progressed, but remained, nevertheless, a leading factor in the situation.

Among recent issues, Baird International Television were inclined to harden, but British Celanese and Imperial Chemical new shares came on offer.

INVESTMENT NOTES.

Imperial Airways' Fourth Report.—With the issue of the fourth report, covering the 12 months ended March 31st last, Imperial Airways enters the ranks of dividend-paying concerns. Early in its career the company decided to use only multi-engined aircraft on its regular routes, and this decision, though costly at the time, has probably been of considerable subsequent benefit, both as regards the company's earning power and its reputation for freedom from serious accident. No single passenger has, in fact, suffered injury during the last three years. The latest report suggests that traffic, both on European and Middle Eastern routes, has expanded to a marked degree during recent months, as will be seen from the following summary:—

YEARS ENDED MARCH 31.

	1926.	1927.	1928.
Trading profits (including subsidies)	£ 21,749	£ 54,314	£ 132,550
Other income	5,616	4,287	4,343
Total gross profits	27,365	58,601	136,893
Insurance charges	11,280	8,078	8,763
Reserve for obsolescence	27,167	31,793	40,011
Depreciation	2,015	2,903	7,585
Written off expenses of inauguration of Middle East route	*1,818	1,491	2,466
Directors' fees	5,500	2,875	5,500
Net profits	Dr 20,415	11,461	72,567
Paid-up capital	349,164	472,813	473,656

* Special general advertising expenditure.

Under the original agreement with H.M. Government the company was to receive a subsidy of £137,000 for the first four years of its operations. It has, therefore, some way still to go before standing on its own feet, and the accounts would be much more informative, from the point of view of the potential investor, could the directors see their way to show actual traffic receipts separately from subsidy payments. Of standing charges, the most onerous is the reserve for obsolescence, as is inevitable in a "pioneer" concern. The recent growth in this item, however, appears to be no more than proportionate to the expansion in the company's fleet, which, inclusive of four high-powered craft under construction, comprises 22 aircraft with a total horse-power of 22,187. Of the year's profits, £24,171 is used in extinguishing a debit on profit and loss account, £20,664 in writing off one-half of preliminary expense and underwriting commission, and £23,683 in paying a dividend of 5 per cent., while £4,049 is carried forward. It is open to question whether the decision to pay a dividend is not somewhat premature at this stage, when the "dead" items totalling £26,707 still loom in the balance sheet on account of preliminary call derelicting, and inauguration expenses of the new route. The board into account th-

agreement with the Government, under which the company's subsidy is increased to £2,760,000, spread over the next eleven years, with no liability for repayment, the *quid pro quo* being the inception of a weekly air mail service to India and the issue of 25,000 deferred £1 shares to the Government, ranking for distribution after the ordinary have received 10 per cent. This agreement, when ratified, will take effect as from April 1st next, but it is provided that the subsidy for the current year will be mentioned at the higher rate now in force. The present Cairo-Basra service will, the directors hope, be extended to Karachi early in the new year. The company possesses a margin of resources for further development, investments in gilt-edged stocks, at cost, as at March 31st last, being no less than £210,453 (an increase of £80,311 as compared with a year earlier), though some £91,565 of this total is represented by obsolescence reserve. A fairly active business has been done recently in the £1 shares, 15s paid, which, at 17s 6d, give a yield of £4 5s 8d per cent.

Eastwoods and Its Subsidiaries.—Eastwoods, Limited, dates, under its present auspices, from 1920, when it took over a company of brick manufacturers, barge and wharf owners, and builders' merchants, registered in 1902. The company has paid regular dividends from 1920-21, the rate rising steadily from 5 per cent. in the depressed period, 1922-23, to 20 per cent. in 1926-27. Early in 1926 an issue of £150,000 7 per cent. preference shares was made at par, but the company seems to have been prevented from obtaining a full return on the new capital, first by the coal stoppage, and subsequently by unfavourable weather, increased competition, and price "adjustments." The sequence of increasing dividends has thus been interrupted, the directors choosing, conservatively, to repeat last year's allocation of £20,000 to general reserve and reduce the dividend from 20 per cent. to 15 per cent. :—

YEARS ENDED MARCH 31.

	1926.	1927.	1928.
Gross profits	£ 92,124	£ 95,905	*87,454
Depreciation	6,023	6,654	*
Other charges	11,483	11,228	11,247
Net profits	74,618	78,023	76,207
Preference dividends	..	10,500	10,500
Ordinary			
{ Earned per share, "subject to tax"	24.8%	22.5%	21.9%
{ Paid per share, "subject to tax"	17.5%	20.0%	15.0%
{ Rate, "tax free"	14.0%	16.0%	12.0%
{ Amount of dividend	£ 52,500	£ 60,000	£ 45,000
To general reserve	20,000	20,000	20,000
To staff pensions fund	1,000	1,000	..
Inc. or dec. in carry forward	1,118	13,477	707

* Gross profits shown, less depreciation.

The latest balance-sheet, a summary of which appears on a later page, suggests a continued expansion in the volume of business done, creditors having risen from £61,355 to £87,157, and debtors from £78,036 to £93,788. The surplus of liquid assets over current liabilities amounts to £264,867, including £131,908 British Government securities, at cost, and £25,617 cash. The £1 ordinary shares stand at 37s 6d cum 2s dividend, and give the relatively high net yield of £8 8s 9d, subject to tax. Concurrently with the publication of the parent companies' accounts, the directors have issued those of two subsidiaries—Eastwoods Cement, Limited, and Eastwoods Flettons, Limited. The former was formed three years ago to manufacture cement and lime at Barrington, Cambridge, and has a capital of £200,000 in ordinary shares, fully paid. No dividend has yet been distributed, net earnings last year being no more than £8,866. The first kiln is now working at full capacity and giving satisfactory results, but the prices realised have, the directors state, been considerably lower than was anticipated, "owing to unnecessary competition in the home market and imports of foreign cement." The parent company undertakes the marketing of the whole of the company's

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
Conv. Loan 3½%	76½	77½	+ 1	Treasury 5% (B)	101½	101½	..
Do 4½% 1914	98½	99½	+ 1	Palestine 5% 1942-67	105	105	..
War Loan 5% 1929-47	102½	102½	..	S. Africa 5% 1945-75	104	104	..
Do 4% (tax free)	101½	101½	..	Canada 3½% 1930-50	83	83	..
Consols 2½%	56½	56½	..	India 3½%	71½	71½	..
Do 4%	86½	86½	..	Australia 5% 1945-75	99	98	- 1
Funding 4%	89½	89½	..	N.S. Wales 5% 1922-32	101	101	..
Victoria Bonds 4%	83½	84	+ 1	N. Zealand 5% 1946	104	104	..
War Bonds 5% 1929	105	105	..	Victoria 5% 1930-40	102	102	..
Local Loans 3%	65½	64½	- 1	Nigeria 6% 1949-73	113	113	..

Foreign Government Securities.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
Japanese 6% (1924)	99½	99½	..	French 5%	181	181	..
Tokyo City 5½%	91½	91½	..	Do 4% (Brill)	163	163	..
Argentine 4% Reiss.	86½	87	+ 1	German 7%	107	107½	+ ½
Austrian 6% 1923-43	102½	102½	..	Greek 7% Refugee	102½	102½	..
Belgian 7%	110	110	..	Hungary 7½%	101½	102	+ ½
Brazil 9% Funding	86½	86½	..	Chili 6%	98	98	..
Bulgaria 7%	88	88½	+ ½	Italian 5% (Marm.Ry)	70	70	..
China 5% (1912)	46½	46½	..	P.L.M. 6%	101	101½	+ ½
Egypt United 4%	85½	87½	+ 2	Poland 7%	94	94	..
Mexico 7% 1927	95	95	..	Mexico 10% (1899)	40	40	..
Finland 6% 1923	98½	98½	..	S. Paulo Coffee 7½%	104	104	..

British and Foreign Railways.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
G. Western Ord. Stk.	87½	87½	..	Antofagasta Ord. Stk.	91½	91½	..
L.N.E. Def. Stk.	12½	12½	..	B.A. & Pacific Ord. Stk.	95½	95	- ½
Do 5% Pref. Stk.	23½	24½	+ 1	B.A. & S. African Ord. Stk.	102½	102½	..
L.M.S. Ord. Stk.	57	57	..	B.A. Western Ord. Stk.	91½	89½	- 2
Metropolitan Cons. Stk.	66½	66½	..	Can. Pacific Com. Stk. 219x	222	222	..
Met. District Ord. Stk.	79½	79½	..	C. Argentine Ord. Stk.	96½	95½	- 1
Southern Def. Stk.	33	32½	- ½	Estate Rios Ord. Stk.	88½	88½	..
Do Pref. Ord. Stk.	73	72½	- ½	Leopoldina Ord. Stk.	62	61½	- ½
Underground Ord. Stk.	14½	14½	..	Mexican Rly. Ord. Stk.	74	74	..
Do Income Bonds	130	129½	- ½	Utd. Havana Ord. Stk.	53	52	- 1

Banks.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
Bank of England Stk.	261	261	..	Midland £1, fully paid	318	318	..
Barclay B. (£1)	25½	25½	..	Nat. Prov. £20, with 4s paid	13½	14½	+ 1
Barclays (Dem. Col. &c.) £1	17½	17½	..	Hongk. and S. (£125)	138	138	..
Lloyds £5, with £1 pd.	3½	3½	..	Standard of S. Africa	420	with 4s paid 15½	..
Martins £1	3½	3½	..	Westminster £20, with 4s paid	19½	20½	+ 1
Mia. £12, with £2 pd.	98	98	..				
Do £2, fully paid	98	98	..				

Insurance.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
Alliance £1, fully paid	22½	23	+ ½	N. British and Mer. £5, with £1 paid	39½	39½	..
Com. Un. £2½, fully pd.	30½	30½	..	Royal Ex. £1, fully pd.	7	7	..
London & Lancs. £5, with £1 paid	33½	33½	..	Roy. In. £1, with 10/pd.	9½	9½	..

Coal, Iron and Steel.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
Babcock, Wilcox (£1)	3½	3½	..	Ebbw Vale (£1)	2½	2½	..
Baldwin (£1)	3½	3½	..	Guest, Keen (£1)	2½	2½	..
Bengal Iron (£1)	1½	1½	..	Powell, Duffryn (£1)	1½	1½	..
Bolckow Vaughan (£1)	3½	3½	..	Swan, Hunter (£1)	1½	1½	..
Dorman, Long (£1)	3½	3½	..	Vickers (S/S)	3½	3½	..

Textiles.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
Bradford Dyers (£1)	2½	2½	..	Courtaulds (£1)	4½	4½	..
Brit. Celanese Ord. (10)	3½	3½	..	Fine Cett. Spinn. (£1)	2½	2½	..
Do Pref. (£1)	3½	3½	..	Listers (£1)	1½	1½	..
Coats, J. and P. (£1)	3½	3½	..	Snia Viscosa (200 lire)	13½	13½	..

Electrical Manufacturing.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
British Insulated (£1)	4½	4½	..	Johnson & Phillips (£1)	1½	1½	..
English Electric (£1)	4½	4½	..	Metro-Vickers (£1)	1½	1½	..
General Electric (£1)	2½	2½	..	Siemens (£1)	1½	1½	..

Electric Light and Power.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
Brnmth & Poole (£1)	3½	3½	..	Anacostia (£1)	1½	1½	..
City of London (£1)	1½	1½	..	N. West. on Tyne (£1)	1½	1½	..
Midland Counties (£1)	1½	1½	..	Yorkshire (£1)	1½	1½	..

Telegraphs and Cables.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
Eastern Stk.	246½	247½	+ 1	Marconi (10)	3½	3½	..
Eastern Extn. (£10)	24½	25	+ ½	Marconi Marine (£1)	2½	2½	..
Western (£10)	24½	24½	..	U. River Plate (£5)	9½	9½	..

Motors.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
Austin, 20's	1½	1½	..	Morris 7½ Cm. Pl. (£1)	1½	1½	..
Dennis (£1)	1½	1½	..	Napier (£1)	2½	2½	..
Leyland (£1)	1½	1½	..	Singer (£1)	2½	2½	..

Shipping.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
Cunard (£1)	1½	1½	..	P. & O. Defd. Stock	245	247½	+ 2½
Furness Withy (£1)	1½	1½	..	Royal Mail Ord. Stock	74	74	..

Miscellaneous.

	Price Last Week.	Latest Price.	Rise or Fall.		Price Last Week.	Latest Price.	Rise or Fall.
Assoc. P. Cement (£1)	1½	1½	..	Imp. Chem. Def. (10)	1½	1½	..
Baker (John) (£1)	3½	3½	..	Imp. C. Gas Stock	172½	172½	..
Braz. Traction, no par	60	60	..	Imperial Tobacco (£1)	5½	5½	..
Brit. Am. Tobacco (£1)	6½	6½	..	Kreuger & Toli (Kr. 100)	324	324	..
British Match (£1)	1½	1½	..	Lyons (J) (£1)	5	5	..
Carreras "A" Ord. (£1)	1½	1½	..	Manbre & Garton (£1)	2½	2½	..
Columbia Graph. (10)	15½	15½	..	Mond Nickel (10)	42	56	+ 14
Dunlop (S)	1½	1½	..	Primativa Gas (£1)	1½	1½	..
Dynophone (10)	3½	3½	..	Salt Union (£1)	24	24	..
Forestal Land (£1)	1½	1½	..	Swed. Match, B. (Kr. 100)	244	244	..
Gas Light & Coke (£1)	1½	1½	..	Victor Talking, no par (10)	117½	117½	..
Gramophone Co. (£1)	1½	1½	..	Vocalion (10)	3½	3½	..
Harrods (£1)	1½	1½	..	Wallpaper, Def. (£1)	1½	1½	..
Hudson's Bay (£1)	1½	1½	..	Watney Combe & D. Stk. 315	329	329	..
Imp. Chemical (£1)	2½	2½	..	Wm. Cory (£1)	23½	23½	..

Tea and Rubber.

output. Eastwoods Flettons, which was registered in June of last year and has a paid-up capital of £184,750, consisting of 176,000 8 per cent. participating ordinary £1 shares and the same number of shilling deferred ordinary, is at an even earlier stage of development. A factory has been built at Kempston Hardwick, and production is to begin this month, the first unit having been laid down for an output of 50 million Fletton bricks each year. Eastwoods Cement shares have a supplementary quotation of 27s 6d, and Eastwoods Flettons preferred 18s 9d.

Wardle and Davenport.—The accounts of Wardle and Davenport for the 12 months ended June 30th last show a decline of approximately one-third in profits as compared with the preceding year. The setback to the progress of this pioneer artificial silk concern appears to have been unexpected by the board. The company recently completed a new building programme, and the chairman's speech a year ago reviewed the outlook in distinctly hopeful terms. Though the report is silent on the point, increased competition in the artificial silk trade may conceivably bear chief responsibility for the latest development. The following table shows profits and their distribution during the last three years:—

YEARS ENDED JUNE 30.			
	1926.	1927.	1928.
Total profit	£ 61,084	£ 96,311	£ 64,265
Written off plant, machinery, and buildings	10,000	15,000	15,000
Preference dividend	3,300	3,300	3,300
Ordinary			
Earned per share, "tax free"	13.8%	22.6%	13.3%
Paid per share, "subject to tax"	18.75%	25.0%	18.75%
Share (Rate, "tax free")	15.0%	20.0%	15.0%
Amount of dividend	£ 51,750	£ 69,000	£ 51,750
Inc. or dec. in carry forward	3,966+	9,011-	5,785

The decision to maintain the amounts used to write off machinery, plant and buildings at the same level as a year ago at the cost of a reduction in ordinary dividends is in keeping with the company's established reputation for sound finance. The fruits of past conservatism are visible in a strong balance-sheet position. Visible reserves, including the amount to be carried forward this year, total £179,978, compared with an issued capital of £60,000 in 5 per cent. cumulative preference shares, and £345,000 in ordinary. Cash and investments (which might advantageously be separated) total £300,729. A year ago it was revealed that the company held sufficient high-grade investments to give, with bank interest, a return of 5½ per cent. on the ordinary capital—a condition in which no considerable change appears to have occurred during the past year. Net working capital—the excess of "quick" assets over liabilities to others than share and debenture stock holders—amounted to £402,701 on June 30th last, against £430,529 a year earlier. The highest and lowest prices of the £1 ordinary shares in recent calendar years have been:—

	1925.	1926.	1927.	1928 (to date).
	s d	s d	s d	s d
Highest	87 6	80 7½	83 1½	86 3
Lowest	69 0	56 3	56 3	68 9

Deducting the final dividend of approximately 2s 5d, the shares at their present price of 70s give a yield of £4 8s 9d per cent., tax free.

Nourse.—A noteworthy recovery has been scored by this Central Rand enterprise. In the year ended June 30th the record tonnage of 712,700 was milled for the average yield of over 6 dwts, as compared with less than 5½ dwts in the two preceding periods. The latter feature arose from a reduction in the stoping width, which in its turn helped to raise the expense ratio from 21s 11d to 23s 5d per ton. Still, the net result was a profit of £89,400, or 2s 6d per ton, as against £8,500, or 3d per ton, in 1926-27 and a small loss for 1925-26. In respect of the past session, two dividends of 1½ pcent. each were paid. Special appropriations of £20,000 in demand

place of £21,750, the chief items being respectively miners' phthisis and capital expenditure. A balance of £74,300 remains to go forward, or £31,000 more than brought in. At 1,454,200 tons, value 6.1 dwts, the ore reserves are lower by 157,100 tons in quantity, but up by over ½ dwt in value. The decline in tonnage is due to the elimination of certain blocks on revaluation; actually the tonnage opened up by the increased development programme amounted to 536,000 tons. Given normal conditions, the consulting engineer foreshadows the maintenance of operations on about the present scale during the current year.

New Capital Issues in August.—In the table below we show the new capital raised in London in August and in the first eight months of the year in comparison with the corresponding periods of 1927, together with the monthly averages for preceding years:—

(000's omitted.)				
Monthly Average.	United Kingdom.	British Possessions.	Foreign Countries.	Total.
	£	£	£	£
1912 and 1913 ..	3,387	6,199	7,388	16,974
1924	7,051	6,023	4,370	17,444
1925	12,918	5,077	1,356	19,351
1926	10,765	4,431	4,036	19,232
1927	17,240	8,318	4,039	29,597
	Govt.	Other.		
January, 1927 ..	69,854	7,733	13,441	91,028
February, 1927 ..	nil	13,162	4,887	18,049
March, 1927	Dr. 1,600	26,756	2,038	30,394
April, 1927	Dr. 700	10,101	3,958	14,759
May, 1927	Dr. 350	18,550	9,225	28,625
June, 1927	Dr. 50	13,568	633	14,151
July, 1927	Dr. 300	11,587	7,759	20,646
August, 1927	Dr. 350	985	10,524	11,859
Total 8 months, 1927	66,504	102,442	52,625	221,571
January, 1928 ..	86,861	12,802	10,055	109,718
February, 1928 ..	Dr. 250	24,972	2,471	25,993
March, 1928	Dr. 900	10,872	9,077	21,849
April, 1928	Dr. 250	10,707	4,523	11,680
May, 1928	Dr. 300	18,590	8,381	27,271
June, 1928	100	21,368	5,671	22,749
July, 1928	Dr. 250	17,858	11,382	29,490
August, 1928	Dr. 350	4,482	367	5,209
Total 8 months, 1928	84,661	121,651	51,927	258,249

The debit of £350,000 under British Government represents excess of encashments over sales of National Savings Certificates. On August 13th the British Government made an issue by tender of £35,000,000 of 5 per cent. Treasury bonds at a minimum price of 101 per cent. The actual result of the tender was an average price of £101 os 11.65d. The approximate sum to be received from this operation by the Government is £36,698,900; but as, presumably, it will be utilised to repay the National War Bonds falling due for repayment on September 1st, we do not propose to include it in our net total of new issues. August has been an extremely quiet month for new offerings, the most notable being made by Trans-Oceanic Trust, British Celanese, and Totalisators, the last-named being the occasion for a controversy whose implications were somewhat far-reaching. The market may be expected to regain its normal stride as September advances.

No-Par Stock in America.—While British law, as embodied in the new Companies Act (the main provisions of which have been discussed in recent issues of the *Economist*), continues to preclude the issue of shares of no-par value, this form of financing is becoming increasingly popular in America. A recent analysis shows that, excluding the stock issues of railway companies, nearly 43 per cent. of all listings on the New York Stock Exchange, with a market value at the beginning of this year of nearly \$17,000,000,000, were of the no-par variety. A survey, made by the National Industrial Conference Board reveals, further, that although New York has only allowed this form of financing since 1912, it has grown at a tremendous rate for all except the stocks of railroad companies, and

there have, of course, been comparatively few stock issues by American railroads except in reorganisations during recent years. There are now 399 such issues listed on the New York Exchange. Commenting on its findings, the Board states that, while these figures disclose the extent of the increase in no-par stock outstanding in proportion to the outstanding total of securities, they do not fully reflect the important rôle played by this form of stock issues in the financing of the last few years. No-par issues, it is declared, appear to be most popular among industrial service and finance corporations, but are hardly found at all in the field of railroad financing.

NEW ISSUES OF THE WEEK.

THOUGH new issue business has not yet restarted on a normal scale after the August holiday, signs are already apparent of an early and active resumption, with the market much the better for its rest from the spate of new offerings of last spring and summer. The distinction of opening the new "season" goes to the Chilean Government, which on Tuesday last offered £2,000,000 6 per cent. sterling bonds to bearer at 95½, giving a flat yield of £6 5s 7d per cent., and a yield, allowing for redemption in 1961, of £6 6s 5d per cent. There is a strong demand at present for high-yielding foreign bonds of satisfactory quality, and as other features of the issue—such as the option to obtain payment of principal and interest either in sterling in London, or in dollars at par of exchange in New York—were calculated to appeal to the investor, and as the publicity recently given to efforts to improve the nitrate position had been the subject of favourable comment, the prompt over-subscription of the issue was a foregone conclusion. An issue, on similar terms, of \$16,000,000 in New York this week was also heavily over-subscribed. The bonds were not in either case secured on any definitive source of Chilean revenue, but the borrowing Government undertook to secure them equally and rateably with any future issue on which such a status might be conferred. Without disparaging what was undoubtedly a good offer in its class, we are constrained to point out that the prospectus gave no information whatever of the present economic or financial position of Chile, and that the description of the uses to which "public works" in Chile—was extremely vague. Issuing houses would certainly confer a boon on the investor could they see their way to publish fuller information on such all-important matters as these.

	Nominal Capital.	Cash Subscription.	First Payment.	Further Liability.
Net total amount previously recorded, £281,621,954.				
ISSUES OF THE WEEK—				
NATIONAL SAVINGS CERTIFICATES.				
Net Sales, week ended September 1, 1928, Dr £100,000.				
Total Receipts April 1, 1928, to September 1, 1928, Dr £600,000.				
To the Public—				
Chilean Govt. £2,000,000 6%				
Sterling Bds. to Bearer (red. by Sept. 1, 1961), issued at 95½ (Sept. 4)	2,000,000	1,710,000	200,000	1,710,000
Total offered to public		1,910,000	200,000	1,710,000
To Shareholders only—				
Net total offered for subscription to date in—				
1928	*283,431,564	1927	355,165,970	
1927	248,151,566	1926	230,782,661	
1926	140,439,269	1925	232,214,500	
1925	128,573,577	1924	209,326,100	
1924	130,672,151	1923	271,393,173	
1923	202,630,517	1922	573,675,650	
* Gross total, £455,532,587, less conversions, £172,100,623.				

Comments on the new issues, summarised below, will be found at the head of this section.

Chilean Government.—Issue of £2,000,000 6 per cent. Sterling Bonds to Bearer, at 95½, redeemable at par by September, 1961, by means of a 1 per cent. sinking fund, or by drawings on three months' notice. Principal and interest are payable, at holder's option, either in London (in sterling) or New York (in dollars at par of exchange), without deduction for Chilean taxation. The bonds form part of a total of about \$26,000,000, the balance of approximately \$16,000,000 being issued in New York. Of the total proceeds, the

equivalent of approximately £850,000 will be applied in the redemption of short-term indebtedness, and the remainder used for public works.

Particulars of the following have been issued, for public information only, in connection with Stock Exchange introductions:—**London Holeproof Hosiery Company, Limited**, issued capital £135,000, in 250,000 10s ordinary shares, and 200,000 1s deferred shares, the former being entitled to a non-cumulative 10 per cent., and 50 per cent. of surplus profits after the deferred have received a 10 per cent. dividend; **Grand Hotel, Harrogate, Limited**, issued capital £150,000 in 5s shares, the company was formed in 1903 to acquire the Grand Hotel, Harrogate, on a 90½ years' lease, became a private company in 1908, and was reconverted into a public company in 1925; **Canadian General Investment Trust, Limited**, issued capital 59,893 \$100 shares fully paid and 15,107 \$100 shares on which \$252,297 has been paid, incorporated in Canada in December, 1926, to carry on the business of an investment trust company.

Railway Traffic Figures, Short Notices on Company Reports, &c., will be found on later pages of this issue.

COMPANY NEWS.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash.	Interim Div.	Final Div.	Method of Payment.	Dividend for Whole Year.	Pre-vious Year.
Banks.						
Bank of Australasia	7½%	Oct. 5	Tax free	Quarterly	..	..
Bank of Nova Scotia	4½%	Sept. 28	..	..	..	..
British Bank of S. America	5½%	..	..	..	..	..
Chartered Bank of India, Australia, and China	7½%	Sept. 12	Tax free	..	10	10
Commercial Banking of Sydney	4½%	Oct. 1	..	..	..	..
Eastern	4½%	Oct. 1	..	..	..	..
Equitable Trust of New York ..	3½%	Sept. 29	Quarterly	..	..	..
Railways.						
H.E.H. the Nizam's Guarntd. ..	6½%	(bonus of 4% on account of fund of surcharge, 1921-22.)	..	..	re-	..
Mining.						
Cent. Provinces Manganese Ore ..	7½%	Oct. 1	..	..	..	..
Nundydroog	7½ p.s.*	Sept. 27	Less tax at 2/1½	..	..	..
Tea and Rubber.						
Beaufort, Borneo	2½%	..	..	..	7½	17½
Dimbula Valley Tea	12½%	Sept. 29	..	..	..	..
Gulaha Ceylon Tea	7½%	Sept. 14	..	..	15	35
Kawie (Java) Rubber	5½%	..	..	..	..	..
Ragalla Tea	7½%	Sept. 16	..	..	..	..
Other Companies.						
A.B.C. Coupler and Engineering ..	..	..	Less tax	..	5	5
Argentine Land and Investment, Old Shares	..	..	..	..	10	10
Do New Shares	..	..	..	..	5	..
Brit. Tobacco (Australia)	2½%	Sept. 29	..	..	..	..
Brown Brothers	2½%	Oct. 1	Less tax	..	..	..
City Offices	6½%	..	..	..	..	..
Clarke, Chapman	3½%	Sept. 12	Less tax	..	..	..
Constable, Hart, and Co.	9½%	..	..	..	15	..
Dalluane-Talisker Distilleries ..	10½%	..	..	..	25	25
Eastwoods	10½%	..	..	..	19	20
Fisher and Ludlow	7½%	Sept. 6	Less tax	..	..	..
J. and R. Allan	7½ p.s.*	Sept. 1	Less tax	..	..	..
John Barker	5½%	Oct. 5	..	..	..	..
Leigh Mills	5½%	..	Less tax	..	2s p.s.	2s p.s.
Lincoln Wagon	5½%	..	..	..	..	..
Mount Stuart Docks, Def.	7½%	Sept. 29	Less tax	..	6	3
Nicholson, Limited	5½%	..	..	..	..	..
Rangoon Electric	8 p.s.*	Oct. 31	..	..	..	..
Second Caledonian Trust	5½%	..	Less tax	..	..	..
Smedley's Jydropathic	6½%	..	Tax free	..	12½	12½
Swansea Gas	5½%	..	Less tax	..	..	..
Thomas Robinson	2½%	..	Less tax	..	..	..
United Drapery Stores	1s p.s.*	Sept. 15	..	..	..	..
United Tobacco (S. South)	2½%	Sept. 30	..	..	..	..
Wardle and Davenport	12½%	..	Tax free	..	15	20
William Baylis	3½%	..	..	..	6	7

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of the *Economist*, 6 Boulevard street, Fleet street, E.C.4.

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	Month of August.			Aggregate Weekly Totals to sept. 1.	
	1927.	1928.	%	1927	1928.
Number of Working Days	26	26		£4,400	£,137,100
	£	£			
BIRMINGHAM	9,714,000	9,869,000	+ 1.5	83,464,400	92,737,100
BRADFORD	5,794,000	4,814,000	-16.3		
BRISTOL	5,054,000	5,078,000	+ 0.4	40,703,000	42,000,000
DUBLIN				163,705,100	170,722,500
HULL	3,691,000	3,509,000	- 4.9	31,277,300	31,387,700
LEDS	4,086,000	3,782,000	- 7.4	36,956,200	33,980,700
LEICESTER	2,869,000	2,825,000	- 1.5	28,184,400	29,812,100
LIVERPOOL	36,884,000	32,700,000	-11.2	284,548,400	289,970,100
MANCHESTER	57,999,000	50,768,000	-12.3	473,306,800	460,454,100
N-TYNE	6,496,000	5,920,000	- 8.8	53,527,600	50,408,500
NEWCASTLE	2,421,000	2,532,000	+ 4.5	21,828,600	21,906,000
... ..	4,415,000	4,397,000	- 0.4	38,259,600	33,799,700
TOTALS	139,273,000	126,194,000	- 9.3		

OVERSEAS BANK RETURNS.

NOTE.—The latest return of the Bank of Greece appeared in the *Economist* of July 7: Canada in July 28: Lithuania, Danzig and Egypt in August 25: Austria, Czechoslovakia, Serbs, etc., Hungary, Poland, Estonia and Japan in September 1.

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

	Sept. 6, 1928.	Aug. 30, 1928.	Aug. 23, 1928.	Aug. 16, 1928.	Sept. 8, 1927.
Resources	2,603,150	2,618,810	2,613,930	2,612,590	2,983,690
Total gold reserves	1,080,120	1,036,770	1,037,450	1,032,530	1,499,480
Bills bought in open mkt.	186,800	184,300	183,600	182,900	197,310
Total U.S. Govt. securities	206,390	208,960	206,910	206,410	197,310
Total bills and securities	1,474,290	1,433,030	1,428,960	1,425,840	1,494,500
Total resources	5,025,280	4,941,250	4,954,310	5,028,750	5,697,990
LIABILITIES					
Federal Reserve notes in actual circulation	1,701,040	1,651,000	1,641,970	1,638,620	1,720,720
Deposits—Member bank—reserve account	2,273,340	2,268,680	2,280,560	2,285,180	2,318,420
Total deposits	2,305,580	2,324,680	2,326,630	2,323,490	2,367,780
Capital paid in and surplus	378,240	378,180	378,170	378,170	359,470
Total liabilities	5,025,280	4,941,250	4,954,310	5,028,750	5,697,990
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	68.6%	69.5%	69.6%	69.7%	76.4%

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

	Sept. 6, 1928.	Aug. 30, 1928.	Aug. 23, 1928.	Aug. 16, 1928.	Sept. 8, 1927.
Total bills discounted	350,200	232,520	314,030	274,590	176,630
Bills bought in open mkt.	47,710	45,040	41,690	50,390	72,430
Total U.S. Govt. securities	33,840	35,290	26,610	25,690	100,410
Total bills and securities	431,650	373,350	382,320	351,160	355,940
Deposits—Member bank—reserve account	886,870	877,230	879,520	877,760	904,180
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	69.6%	74.3%	73.8%	75.5%	76.2%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	Aug. 10, 1928.	Aug. 3, 1928.	July 27, 1928.	July 20, 1928.	July 13, 1928.	Aug. 13, 1927.
Assets						
Gold coin and bullion	7,821	7,858	7,820	7,718	7,420	7,300
Subsidiary coin	68	54	55	81	67	233
Bills discounted	7,851	8,619	8,674	8,328	8,536	7,487
Investments	596	596	596	596	596	574
LIABILITIES						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	509	509	509	509	509	493
Notes in circulation	8,399	9,004	8,476	7,866	8,158	7,853
Government deposits	1,523	1,333	1,758	2,059	1,834	1,789
Bankers' deposits	4,645	5,350	5,040	4,976	4,769	4,819
Ratio of cash reserves to liabilities to public	51.1%	49.0%	49.0%	51.4%	49.7%	50.6%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	Aug. 10, 1928.	Aug. 3, 1928.	July 27, 1928.	July 20, 1928.	July 13, 1928.	Aug. 13, 1927.
Assets						
Total securities	27,207.78	25,145.15	23,075.4	23,245.9	23,779.2	21,022.35
Loans	11,587.2	12,204.46	18,105.03	10,499.23	10,998.92	10,998.92
Cash credits	21,437.07	26,780.10	28,847.37	27,689.96	28,612.91	23,999.85
Inland bills	3,899.92	3,527.73	4,230.10	4,229.95	4,944.83	3,764.41
Foreign bills	41.30	34.20	34.22	32.32	36.94	32.53
Dead stock	2,816.63	2,813.31	2,813.29	2,813.29	2,813.29	2,813.29
Cash with other banks	23.14	24.53	18.75	22.74	22.42	5.50
Bills	21,341.11	21,223.83	22,750.98	19,531.91	18,784.14	29,973.35
LIABILITIES						
Capital paid up	5,625.50	5,625.50	5,625.50	5,625.50	5,625.50	5,625.50
Reserve	5,175.50	5,175.50	5,175.50	5,175.50	5,175.50	5,175.50
Total deposits	33,928.94	79,407.1	79,544.47	77,627.1	77,389.99	82,262.88
The above includes:						
Deposits in London	1,115	1,107	882	1,053	1,078	909
Advances in London	965	964	962	978	1,000	922
Cash, &c., at other banks in London	218	182	140	168	165	37

BANK OF FRANCE.—In francs. (000's omitted).

	Aug. 10, 1928.	Aug. 3, 1928.	July 27, 1928.	July 20, 1928.	July 13, 1928.	Aug. 13, 1927.
Assets						
Gold	30,351,342	30,361,673	30,269,449	30,251,317	30,093,386	
Foreign assets						
Sight deposits	14,241,999	14,064,322	13,567,864	14,495,689	16,810,426	
Bills discounted	17,707,529	17,173,435	16,916,626	16,844,577	13,047,793	
Commercial bills discounted at home	2,052,870	3,306,652	2,199,585	2,310,899	2,686,656	
Advances against sec. to the State	9,130,000	9,130,000	9,130,000	9,130,000	9,130,000	
Other advances	2,043,267	1,938,693	2,005,570	2,001,559	2,032,112	
Other assets (excluding forward exch.)		2,832,818	2,934,468	3,133,548	2,666,668	
LIABILITIES						
Notes in circulation	62,183,776	60,316,951	60,553,057	60,923,459	61,345,323	
Public deposits	10,230,514	10,318,760	10,701,333	10,231,592	9,037,962	
Private deposits	5,426,289	6,697,831	4,969,481	4,791,957	5,342,284	
Other liabilities		1,888,949	1,595,688	1,429,221	1,498,487	

THE REICHSBANK.—In Reichsmarks* (000's omitted).

	Aug. 10, 1928.	Aug. 3, 1928.	July 27, 1928.	July 20, 1928.	July 13, 1928.	Aug. 13, 1927.
Assets						
Reichsbank shares not yet issued	177,212	177,212	177,212	177,212	177,212	
Gold and bullion	2,218,130	2,210,909	2,210,915	2,210,915	1,852,671	
Of which deposited abroad	85,626	85,626	85,626	85,626	85,626	
Reserve in foreign currencies	434,908	211,412	217,093	217,093	157,399	
Bills of exchange and cheques	2,608,408	1,972,311	2,006,068	2,006,068	2,651,635	
Silver and other coin	50,746	111,271	103,080	103,080	80,836	
Notes of other German banks	128,822	27,181	23,693	23,693	6,683	
Advances	93,819	27,136	61,702	61,702	67,057	
Investments	490,341	560,998	572,286	572,286	473,518	
Other assets						
LIABILITIES						
Reduced capital (shares not yet issued)	177,212	177,212	177,212	177,212	177,212	
Reserve	284,205	284,205	284,205	284,205	243,393	
Notes in circulation	4,673,034	3,969,597	4,134,369	4,134,369	3,934,724	
Other daily maturing obligations	564,628	631,936	540,713	540,713	723,820	
Other liabilities	280,201	236,451	236,452	236,452	375,345	

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription.
A one pound of fine gold equals 1,332 Reichsmarks.

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).

	Aug. 30, 1928.	Aug. 23, 1928.	Aug. 16, 1928.	Aug. 9, 1928.	Sept. 1, 1927.	Position May 30, 1914.
Assets						
Gold	804,678	804,749	804,413	803,465	658,279	232,650
Foreign bills and balances abroad	496,294	486,119	477,688	473,112	457,111	1,036
Silver & other coin	2,828	2,849	2,781	2,708	2,708	1,036
Securities	562,749	560,355	549,157	545,475	479,124	697,600
LIABILITIES						
Notes in circulation	2,224,189	2,177,505	2,188,117	2,189,535	1,973,143	934,150
Current accounts	72,006	106,899	75,039	74,364	58,906	112,125

(b) In thousands francs.

NETHERLANDS BANK.—In florins (000's omitted).

	Aug. 27, 1928.	Aug. 20, 1928.	Aug. 13, 1928.	Aug. 6, 1928.	Aug. 29, 1927.	Position May 30, 1914.
Assets						
Gold	434,941	434,922	434,925	434,926	336,282	163,092
Silver	23,467	23,368	23,149	22,923	28,338	8,436
Depts. and advances	350,780	360,232	353,001	360,190	397,582	153,504
LIABILITIES						
Notes in circulation	792,147	793,579	796,028	810,720	803,488	316,632
Deposits	33,518	44,007	36,678	29,653	21,847	5,016

BANK OF JAYA.—In florins (000's omitted).

	Sept. 1, 1928.	Aug. 25, 1928.	Aug. 18, 1928.	Aug. 11, 1928.	Sept. 3, 1927.	Position May 30, 1914.
Assets						
Gold	187,000	188,800	187,000	187,400	183,817	22,971
Silver					19,773	29,785
Depts. and advances, and other investments	149,900	154,000	154,200	153,100	172,456	77,567
LIABILITIES						
Notes in circulation	318,600	316,300	318,600	319,400	325,293	109,499
Deposits and bills payable	44,300	54,300	51,400	52,700	74,834	11,250

SWISS NATIONAL BANK.—In francs (000's omitted).

	Aug. 31, 1928.	Aug. 23, 1928.	Aug. 15, 1928.	Aug. 7, 1928.	Aug. 31, 1927.	Position May 31, 1914.
Assets						
Gold	449,328	449,509	449,587	447,724	443,489	171,175
Silver	53,638	54,638	54,471	54,299	67,001	18,350
Advances	226,712	211,912	202,111	199,658	344,163	103,000
LIABILITIES						
Notes in circulation	864,271	798,051	811,679	834,659	843,197	275,825
Deposits	81,006	107,543	98,077	79,903	104,214	33,750

BANK OF ITALY.—In lire (000's omitted).

	Aug. 10, 1928.	July 31, 1928.	July 20, 1928.	July 10, 1928.	June 30, 1928.	June 30, 1927.
Assets						
Gold coin and bullion	5,001,530	5,001,497	4,924,464	4,924,464	4,924,464	4,924,464
Foreign bills & balances abroad	6,838,685	6,838,685	6,838,685	6,838,685	6,838,685	6,838,685
Other cash	182,569	182,569	182,569	182,569	182,569	182,569
Gold deposited abroad due by the State	1,847,713	1,847,713	1,847,713	1,847,713	1,847,713	1,847,713
Discounts	2,969,131	2,969,131	3,013,290	2,998,551	3,005,167	3,005,167
Advances	1,239,626	1,395,947	1,199,065	1,131,569	1,192,622	1,192,622
Credit with "Istituto di Liquidazione"	1,237,085	1,237,085	1,237,085	1,237,085	1,237,085	1,237,085
Government securities	998,229	998,229	998,229	998,229	998,229	998,229
LIABILITIES						
Notes in circulation	17,285,001	17,394,550	17,258,738	17,464,370	17,323,546	17,323,546
Public deposits	183,156	166,398	166,398	166,398	166,398	166,398
Other deposits and drafts	3,194,815	3,277,372	3,175,011	3,006,327	2,967,952	2,967,952
Ratio of reserve to note and sight liabilities combined	57.30%	57.03%	57.48%	58.17%	58.64%	58.64%

BANK OF NORWAY.—In kroner (000's omitted).

	Aug. 31, 1928.	Aug. 23, 1928.	Aug. 15, 1928.	Aug. 7, 1928.	Aug. 31, 1927.	Position May 31, 1914.
Assets						
Gold and bullion—Gold	146,944	146,952	146,958	147,231	147,231	44,224
Balance abroad and foreign bills	38,951	37,384	34,045	19,875	28,533	
Norwegian and Foreign Government securities	9,323	9,323	9,323	26,673	8,816	
Discounts and loans	281,931	263,912	266,575	284,463	76,911	
LIABILITIES						
Notes in circulation	318,029	312,084	314,438	327,503	113,484	
Deposits at sight	101,837	79,369	74,343	97,985	7,188	

BANK OF SWEDEN.—In kronor (000's omitted).

MINING OUTPUT STATISTICS FOR AUG., 1928.

	Tons Crushed.		Gold Recovered.		Value.	Profit.
	Mill.	Grande Works.	Mill.	Grande Works.		
Gold.	Tons.	Tons.	Ozs.	Ozs.	£	£
Balaghat	4,000	..	..	2,430	53,706	24,816
Can and Motor	24,000	..	..	12,641	..	..
Champion Reef	9,725	24,605	4,137	5,129	..	..
Lena (August 16th to 22nd) ..	..	..	..	2,117	8,891	..
Lupatard's Vlei	22,400	..	..	..	5,512	3,439
Mysore	18,269	20,918	8,534	1,021	9,555	..
Nandya	10,608	18,970	5,140	1,211	6,354	..
Ooregum	12,000	19,000	6,356	859	7,215	..
Rezende	6,400	..	..	2,381	12,788	5,010
Sherwood Barr	4,400	..	..	..	7,750	2,616
Sons of Gwalla	14,250	..	..	..	12,593	..
St John del Rey	..	..	..	..	37,100	..

	Output.	Other Notes in Return.	
		Tons.	and 123,000 ozs silver.
Tin.	Tons.		
Aramayo	363	..	..
Bangrin	36	..	..
Bisich	23	..	..
Chenderiang	7	..	..
Daffo	62	..	..
Geevor	713	..	..
Gopeng	41	..	..
Idris Hydraulic	22	..	..
Iph	88	..	..
Kamunting	42	..	..
Kent	30	..	..
Kepong Dredging	33	..	..
Kinta	123	..	..
Kramat Pulai	14	..	..
Lahat	1543	..	..
Malayan	20	..	..
Nigerian Consolidated	4	..	..
Offin River Gold	203	..	..
Pahang Consolidated	178	..	..
Petaling	35	..	..
Rahman Hydraulic	15	..	..
Rambutan	41	..	..
Rantau	68	..	..
Renong	892	..	..
Rong	71	..	..
Siamese	594	..	..
Southern Malayan	46	..	..
Southern Perak	30	..	..
Sungei Besi	342	..	..
Sungei Kinta	413	..	..
Tanjong	232	..	..
Teja Malaya	42	..	..
Tekka	42	..	..
Tekka-Tapiing	77	..	..
Tongkah Harbour	62	..	..
Tronoh	567	..	..
Copper.	567	..	..
Bwana M'Kubwa	1,446	..	..
Messina	22,708	..	..
Coal.	59,000	..	..
Blackhill	28,632	..	..
Chinese Engineering	42,260	..	..
Coalbrook	43,787	..	..
Durban	99,358	..	..
Natal Navigation	71,216	..	..
South African	73,476	..	..
Tweefontein, Limited	253,022	..	..
Vereeniging Estates	76,593	..	..
Wankie	..	..	..
Diamonds.	..	..	..
Crown	..	..	..
New Vaal River	..	..	..
Tanganyika	..	..	..
West African	..	..	..
Miscellaneous.	931	..	..
Rhodesian Broken Hill	..	..	..
Rhodesian Corporation	..	..	..

MOUNT LYEAL MINING AND RAILWAY COMPANY, LIMITED.—During the four weekly period ended August 15th the mill treated 9,036 tons of ore, producing 2,042 tons of concentrates.

SULPHIDE CORPORATION, LIMITED.—During the four weeks ending August 25, 1928, 10,775 tons of Central Mine Ore, together with 1,347 tons of slimes were milled at the Central Mine, producing 2,145 tons of lead concentrates (including 79 tons from the de-leading plant) which assayed 54 ozs. silver, 65 per cent. lead, together with 3,081 tons of concentrates assaying 7 ozs. silver, 4 per cent. lead and 50 per cent. zinc per ton, and 172 tons special slimes, assaying 8 ozs. silver, 12 per cent. lead and 5 per cent. zinc per ton.

TRANSVAAL WORKING PROFIT.—The total estimated working profit of the gold mines of the Transvaal for the month of July, 1928, amounted to:—Witwatersrand, £1,048,432; outside districts, £51,652; total, £1,100,084. The estimated working profit in June, 1928, was:—Witwatersrand, £1,038,851; outside districts, £16,829; total, £1,055,680.

SUMMARY OF BALANCE-SHEETS.

COMMERCIAL BANKING COMPANY OF SYDNEY, LIMITED.

(With which is amalgamated the Bank of Victoria, Limited.)

June 30, 1928.

LIABILITIES.	Amount.	Compared with June 30, 1927.	ASSETS.	Amount.	Compared with June 30, 1927.
Capital, paid up ..	4,739,012	..	Cash	8,806,256	..
Reserve fund	3,950,000	..	Money at call ..	883,000	..
Notes in circulation ..	14,244	..	Short dated Treasury Bills ..	2,795,000	..
Bills in circulation ..	..	..	Brit. & Australian Govt. stocks & other securities ..	6,576,852	..
Deposits & other liabilities	2,149,049	..	Bills receivable ..	5,041,444	..
Profit and loss ..	477,167	..	Notes and bills ..	375,891	..
			Bills discounted ..	37,316,784	..
			Premises	1,357,144	..
Total	63,154,171	..	Total	63,154,171	..

AUSTRALIAN BANK OF COMMERCE, LIMITED.

June 30, 1928.

LIABILITIES.	Amount.	Compared with June 30, 1927.	ASSETS.	Amount.	Compared with June 30, 1927.
Capital paid up ..	2,208,000	..	Coin and bullion ..	13,761	..
Reserve fund	1,046,880	..	Australian notes and cash with Commonwealth Bank ..	1,124,058	..
Deposits	14,018,935	..	Cash at London bankers and at short call ..	1,439,192	..
Bills in circulation ..	1,026,936	..	British Treasury Bills and other Government & municipal stks. ..	730,211	..
Balances due to other banks ..	207,617	..	Balances due by other banks ..	512,379	..
Profit and loss ..	115,085	..	Bills receivable ..	2,259,248	..
			Bills discounted ..	11,468,260	..
			Premises	365,220	..
Total	18,623,453	..	Total	18,623,453	..

EASTWOODS, LIMITED.

March 31, 1928.

LIABILITIES.	Amount.	Compared with Mar. 31, 1927.	ASSETS.	Amount.	Compared with Mar. 31, 1927.
Ord. shares £1 ..	300,000	..	Properties	161,844	..
Prof. shares £1 ..	150,000	..	Office furniture ..	376	..
Creditors	87,157	..	Stocks	104,857	..
Dividend account ..	4,146	..	Debtors	93,788	..
General reserve ..	40,000	..	Shares in other cos. ..	127,815	..
Pensions account ..	2,000	..	Cash	25,616	..
Profit and loss ..	62,901	..	Brit. Govt. securities ..	131,908	..
Total	646,204	..	Total	646,204	..

IMPERIAL AIRWAYS, LIMITED.

March 31, 1928.

LIABILITIES.	Amount.	Compared with Mar. 31, 1927.	ASSETS.	Amount.	Compared with Mar. 31, 1927.
Ord. shares	473,656	..	Aircraft and engines ..	249,915	..
Creditors	44,348	..	Premises and plant ..	42,844	..
Subsidy	5,700	..	Stocks	57,314	..
Reserve for obso. ..	..	..	Debtors	30,633	..
Insurance	91,565	..	Deposits	4,663	..
Profit and loss ..	27,732	..	Investments in Brit. Govt. Stks. and India Loan ..	210,453	..
Total	643,001	..	Investment in subsidiaries ..	754	..
			Cash	19,633	..
			Preliminary exps. ..	11,516	..
			Underwriting com. ..	9,147	..
			Inauguration exps. ..	6,043	..
			Profit and loss ..	nil	..
Total	643,001	..	Total	643,001	..

WARDLE AND DAVENPORT, LIMITED.

June 30, 1928.

LIABILITIES.	Amount.	Compared with June 30, 1927.	ASSETS.	Amount.	Compared with June 30, 1927.
Prof. shares	60,000	..	Properties & plant ..	272,036	..
Ordinary shares ..	345,000	..	Stocks	83,618	..
4½% deb. stock ..	33,360	..	Debtors and bills receivable ..	141,930	..
Creditors	123,479	..	Cash & investments ..	300,730	..
Unclaimed divs. ..	97	..			
Reserve fund	135,069	..			
Investment reserve ..	8,356	..			
Profit and loss ..	93,653	..			
Total	798,314	..	Total	798,314	..

Reports and Notices.

Baring Brothers and Co., Limited, notify that the transfer books of the Commercial Cable Company sterling 4 per cent. 500-year debenture stock will be closed from the 22nd to the 29th instant, both days inclusive, for the preparation of the warrants for the interest due October 1, 1928.

The directors of the Midland Bank, Limited, have the pleasure to announce that they have elected Mr Bernard Dudley Frank Docker, J.P., to a seat on their board.

We are informed that Messrs Bolckow, Vaughan and Co., Limited, received an order from the Birkenhead Corporation for 150 tons of B.S.S. No. 8 high silicon tramway rails and fish-plates.

Sir John William Anderson Bell has been admitted a partner of Messrs Gray, Dawes and Co., merchants and bankers, of 122, Leadenhall street, E.C. 3, as from September 1st.

The directors of Norwich Union Life Insurance Society have elected Mr G. R. R. Colman, who is a director of Messrs J. and J. Colman, Limited, to fill the vacancy on the board of the society occasioned by the death of Sir George Chamberlin.

Mr J. F. Innes, the manager at the Vulcan works of Messrs John Hetherington and Sons, Limited, has been elected a director in place of Mr Francis Taylor, recently deceased.

The head office of the Cornhill Publicity Service has been transferred to Warnford court, Throgmorton street. Telephone, London Wall 4683.

At the first extraordinary general meeting of shareholders of the Hampden Cloncurry Copper Mines, Limited, held on September 3rd, the resolution for the voluntary winding-up of the company and the appointment of Mr E. H. Shackell as liquidator was carried unanimously.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Dividend Interest.	Amount Available for Distribution.	Appropriation.			Corresponding Period Last Year.	
					Dividend.		Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.
					Prefer.	Ordinary.			
					Amount.	Amount.	Rate.		Dividend.
Banks.									
Australian Bank of Commerce ..	June 30	26,664	216,741	243,405	..	176,640	8	40,000	218,068
Commercial Banking Co. of Sydney ..	June 30	60,184	653,243	713,427	..	473,212	10	175,000	556,705
Breweries.									
Dailuaine-Talisker Distilleries ..	June 30	21,009	25,361	46,370	4,175	21,393	25	..	25,464
Canals and Docks.									
Mount Stuart Dry Docks	June 30	2,335	31,547	33,882	..	24,150	6P.O. 16 Def.	9,732	23,331
Hotels, Restaurants, &c.									
Smedley's Hydropathic	July 31	9,952	12,059	22,011	1,125	7,500	12½	7,000	11,610
Iron, Coal, and Steel.									
Wm. Roberts (Tipton)	Mar. 31	2,456	1,853	4,309	1,680	..	..	2,629	1,704
Rubber, &c.									
Kawie (Java)	Mar. 31	16,212	14,460	30,672	..	11,250	15	5,126	41,344
Other Companies.									
Eastwoods Cement	Mar. 31	2,255	8,866	11,121	..	..	..	11,121	1,602
Eastwoods Flettons	Mar. 31	..	2,332	2,332	..	..	..	2,332	..
Eastwoods, Limited	Mar. 31	12,195	76,207	88,402	10,500	45,000	15	20,000	78,023
Imperial Airways	Mar. 31	Dr 24,171	72,567	48,396	..	23,682	5	20,664	11,461
Wardle and Davenport	June 30	42,438	64,265	106,703	3,300	51,750	15½	15,000	96,311

† Tax free.

BANKS.

AUSTRALIAN BANK OF COMMERCE, LIMITED.—The balance of profit and loss for the year ended June 30, 1928, is £276,724, against £277,286 for previous year, less graduated land and income taxes for the year, £59,983, making profit for the year £216,741, against £218,067. The following appropriations have been made:—Transfer to reserve fund £40,000, against £50,000 in preceding year; ordinary dividend is again 8 per cent., absorbing £176,640, against £157,827. To be carried forward £26,765, against £26,663. By the payment of final instalments of £13,760 on capital account, due on July 1, 1927, in connection with the issue of new shares, the bank's capital has now been increased to £2,208,000. Similarly £6,880, due on premium account, has been added to reserve fund; which with £40,000 now appropriated from profits as above, raises that fund to £1,046,880. During the year a branch of the bank, known as "Exchange Branch," was opened at 61 Pitt street, Sydney; Darlington Point Receiving Office was converted into a branch; and the Pambula branch and the Woolahra Receiving Office were withdrawn. The balance sheet is summarised in another column.

COMMERCIAL BANKING COMPANY OF SYDNEY, LIMITED.—The profit for year ended June 30, 1928, is £653,243, against £556,705 for preceding year. The balance at credit of profit and loss account, after adding the amount brought forward and deducting interim dividend at the rate of 10 per cent. per annum, paid on January 24, 1928, rebate on current bills and accrued interest on fixed deposits, reducing premises account, paying land, income, and other taxes, and providing for bad and doubtful debts, amounts to £477,165, against £437,002 for preceding year, out of which the directors recommend the following appropriations:—To payment of a dividend for the past half-year at the rate of 10 per cent. per annum, £236,950; to transfer to reserve fund (making it £4,075,000), £125,000; to transfer to bank premises account, £50,000; to balance carried forward, £65,215. During the year branches of the bank have been established at 114 Castlereagh street (Sydney), Eastwood and Rose Bay, in New South Wales; at Bordertown, Millicent, Mt. Gambier, and Naracoorte, in South Australia; and at Footscray in Victoria. The branch at 69 King William street, London, was closed on November 19th last, the business being transferred to the branch at 18 Birch Lane. The balance-sheet is summarised in another column.

MISCELLANEOUS.

UNITED DRAPERY STORES, LIMITED.—In view of a substantial increase in profits shown by the half-yearly accounts of the associated companies as compared with the corresponding period last year, the board of directors has resolved to declare an interim dividend of 1s per share (5 per cent. actual), less tax, on the ordinary shares of the company, payable on September 15th. The company has recently completed the acquisition of the business of Messrs Edward Evans Limited, of Nos 145 to 151 King street, Hammersmith, and Messrs Walker and Penistans, Limited, who recently opened a new branch in Kensington, are in the process of acquiring a further important branch in London.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday Evening.

Harvesting operations are being completed under ideal climatic conditions, and cereal crops have mostly been secured in excellent condition. Threshings of wheat

33s 6d to 34s 6d ex-store. On c.i.f. terms Manitoba top patents September quoted 33s 6d to 34s 6d, export ditto 31s 6d to 32s 6d, Ontario winter patents 35s to 36s, Australian 32s 6d to 33s per 280 lbs. Maize. Weaker forward. Plate landed 38s 9d, ditto ex-ship 37s to 37s 6d as to position, September-October 37s, October-November 37s 3d, November-December 37s 6d per 480 lbs. Yellow maize meal £10 10s ex-wharf, white African ex-ship to arrive £9, yellow ditto, £8 17s 6d per ton. Barley, dull. Californian ex-store 42s 6d to 60s, Oregon 59s, Chilian Chevalier 58s to 65s, Australian 56s, Smyrna 44s to 50s per 448 lbs, Algerian-Tunisian ex-ship 33s, Persian ex-ship 30s 6d, No. 3 Canadian Western ex-ship 34s 9d, No. 2 Federal American 30s to 31s per 400 lbs, English new 13s to 16s 3d per 112 lbs. Oats, quieter. La Plata 27s 9d, black Plate 26s 9d, No. 2 Canadian Western 32s, No. 3 ditto, 29s 3d, No. 2 Canadian feed 28s, mixed Canadian feed 23s, Chilian Tawny 28s 9d, ditto white 32s to 34s, German 29s, all landed, per 320 lbs, English new black and grey 8s 4d to 9s, white 8s 8d to 9s 4d per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1928-29, 1927-28, 1926-27, 1925-26:—

	1928-1929.	1927-1928.	1926-1927.	1925-1926
Estimated sales of home-grown wheat— 1 week to September 1	Cwts. 92,404	Cwts. 75,184	Cwts. 288,467	Cwts. 265,759
Average price of English wheat per cwt.	s d 9 5	s d 12 1	s d 11 9	s d 11 8

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1924 to 1927:—

Weeks Ended	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1928.	Cwts.	Cwts.	Cwts.	s d	s d	s d
Aug. 25	80,132	122,309	51,024	9 9	14 0	9 4
Sept. 1	92,404	203,912	67,141	9 5	14 1	9 3
Aug. 30, 1924.	53,769	103,947	48,505	12 2	14 8	9 1
Aug. 29, 1925.	249,432	74,987	62,660	11 7	14 6	9 8
Sept. 4, 1926.	288,467	67,266	58,100	11 9	12 9	8 8
Sept. 3, 1927.	75,184	34,688	32,410	12 1	14 1	9 7

AMERICAN WHEAT MARKETS.

Bullish foreign crop advices and rumours of export buying were responsible for an advance in prices in the early part of the week. A reaction occurred later, however, increased activity of

harvesting and threshing taking place under favourable weather conditions. Quotations:—

NEAREST FUTURE.	Jan. 6, 1927.	Sept. 8, 1927.	Jan. 4, 1928.	Aug. 29, 1928.	Sept. 5, 1928.
Winnipeg (No. 1 Manitoba)—Cents per 60 lbs	133½	139½	137	112	110½
Chicago (No. 2 Winter)—Cents per 60 lbs	137½	134½	130½	110½	109½

Visible supplies of wheat in Canada at 20,395,000 bushels show a decrease of 3,417,000 bushels as compared with the previous figures. Supplies a year ago stood at 17,997,000 bushels.

COAL.

Our Cardiff correspondent writes:—The position on the Cardiff coal market remains practically unchanged. Contractors both for the inland and the export markets are negotiating with the collieries for supplies over next year, and in regard to this business there is a disposition on the part of the collieries to ask for prices slightly in excess of the present minimum schedule; but the volume of new current business is very small, and in many cases pits have been losing time. The marketing scheme is still hanging fire. The task of adjusting prices to meet the demands of certain colliery companies who have found that their interests have been adversely affected by the original schedule is proving one of considerable difficulty, but it is still hoped that an acceptable arrangement will be reached concerning an amended classification. The supply of shipping has recently been unsatisfactory and a large number of berths at the various docks have been idle. The following are the current minimum prices for the leading description:—Best Admiralties, 19s 3d to 19s 6d; seconds 19s to 19s 3d; best drys, 18s to 18s 6d; Black Veins, 17s 6d to 17s 9d; Western Valleys, 17s; Eastern Valleys, 16s 7½d to 17s; best small steams, 12s 6d to 12s 9d; cargo smalls, 11s 6d to 12s; coking smalls, 12s 6d to 12s 9d; anthracite, best large, 33s to 35s 6d; Red Vein, large, 20s 6d to 25s; machine-made cobbles, 40s to 42s 6d; French nuts, 41s to 43s 6d; stove nuts, 38s to 41s; rubble culm, 11s 6d to 11s 9d; foundry coke, 27s 6d to 36s; patent fuel, 20s 6d to 22s; pitwood, ex-ship, 28s 9d to 29s.

Our Glasgow correspondent writes:—Outputs are moving fairly readily on old contracts, but new business is slow to mature, and with apparently no definite programme yet decided upon as regards the reopening of pits the outlook is uncertain. Meanwhile, washed nuts remain in good demand at firm prices, while round coal is about steady. Shipment prices (f.o.b. district ports):—Lanarkshire.—Ell best, 14s 6d; splint best, 17s; splint second, 16s; navigation, 16s 6d; navigation second, 15s; steam, 13s 9d; Hartley, 16s 6d; trebles, 13s 3d; doubles, 13s; singles, 12s 3d; pearls, 11s; dross, 9s 6d to 10s. Fife.—Screened navigation, 18s; first-class steam, 12s 6d; third-class steam, 11s; trebles, 14s; doubles, 13s 3d to 13s 6d; singles, 12s 6d; pearls, 11s 3d to 11s 6d. Lothians.—Prime steam, 12s 3d to 12s 6d; secondary steam, 11s 9d; trebles, 14s; doubles, 13s 6d; singles, 12s 6d; pearls, 11s 3d.

Our Sheffield correspondent writes:—While demand for fuel is developing, the working of the selling scheme reveals weaknesses which cause irritation and loss to certain interests. Production at the South Yorkshire pits is still being curtailed. Demand for domestic coal, the price of which has been advanced 2s, is disappointing. Prime qualities, however, sell freely. Best steams command from 14s 9d to 15s per ton. Blast furnace coke is firm at 12s 6d at ovens.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—There are already indications that traders are beginning to prepare for the autumn demand, which usually makes itself felt in September. Inquiry is beginning to expand, some of it for forward delivery. For the most part, however, business in British iron and steel materials is still being transacted on a hand-to-mouth basis. The position with the Continental markets appears to have become stronger, and a number of steel makers have withdrawn from the market or quote very extended dates for delivery. In some cases prices have shown further advances, although at the present level of the Continental quotations British buyers are chary of placing orders. Nevertheless, reports from the Continent indicate that the demand from the home markets, plus a fairly active export business, is sufficient to satisfy the works in view of the heavy tonnage of orders already on their books. These conditions have led to the diversion of a considerable volume of orders to the British manufacturers, particularly in the re-rolling branches. As the home makers are able to give prompt delivery, however, the tendency of buyers is to limit their business to such quantities as will meet their immediate requirements. The semi-finished steel departments of the British works continue to be fairly busy, and there is a firmer tendency in the quotations. In the finished steel department the demand in the home market has been principally from the constructional engineers, although latterly there has been a fair amount of inquiry from stockholders.

Our Middlesbrough correspondent writes:—Pig-iron. There appears to be a distinctly better feeling in district as regards the prospects of the iron and trade. More business is passing. Cleveland iron

quoted firm on the basis of 66s for No. 3 G.M.B. As regards East Coast hematite, the position is better, and sales have been reported both for home and export. The price has hardened to 69s and 70s, and stocks are being reduced. Makers, however, state that even at this slightly increased price they are still losing several shillings a ton on their production. Iron Ore.—The iron ore market is very quiet, and the price of best rubio is firm at 22s 6d per ton. It is too soon after the settlement of the Swedish strike for increased deliveries to arrive and possibly affect the market. Durham blast furnace coke is freely offered at 17s 6d per ton. With regard to manufactured iron and steel, the prospects are reported to be distinctly better. More orders have been received by the works in the last few days, and the outlook is much more hopeful. Moreover, with the recent rise in Continental prices, this competition is not nearly so severe. In the meantime, prices remain unaltered, and are on the following basis:—Steel ship plates, £8 7s 6d; steel ship angles, £7 17s 6d; iron bars, £10 5s; steel rails, £8 10s.

Our Sheffield correspondent writes:—The tone in local industry is somewhat brighter, but there is no sign at present of any upward movement of buying, and the depression previously experienced continues. There is an increasing demand for the lower grades of mild steel in which Continental competition has slackened, and prices are firm. On the other hand, the best acid qualities are neglected. In fact, the output lately has been the lowest for a good many years. The largest of the local heavy steel works has been rather busy lately, and the continuous bar mill of United Strip and Bar Mills, Limited, turned out a record last week of 3,500 tons. The steel production of the United Steel Company's group of works now average from 10,000 to 12,000 tons of ingots per week, most of it basic. Rolling mills and forges working for the trade are running short time, there being a marked absence of bulk orders. There is much unremunerative operating in both the light and heavy steel branches. Pig-iron prices are steady and here and there one hears of more liberal purchases. Business in cutlery and plate has begun to pick up, and a steady expansion until December is probable. The output is large, but only a proportion of the makers are earning profits, as the demand is more and more for cheap and medium goods. Overseas trade in these sections is good. The same may be said of home tools. As regards the home market, there is slackness among makers of saws, files, edge and farm tools.

Our Glasgow correspondent writes:—The pig-iron market shows a little more liveliness this week, both inquiries and orders being more numerous. Prices remain firm. During the past week several orders have been placed with shipyards on the Clyde, and engineering works and locomotive builders in the Glasgow district have secured considerable contracts. In the heavy steel trades manufacturers are finding business easier, partly, no doubt, on account of the increased activity in the shipbuilding and engineering establishments, but also on account of the increased prices of Continental material, combined with the impossibility of getting prompt delivery and uncertainty as to all delivery dates from Continental works. In the sheet trade, both black and galvanised, the position is maintained, works being fully employed and order books well filled. Recent quotations show a slight advance.

Our Cardiff correspondent writes:—The South Wales tinplate market remained very steady during the past week, and there have been inquiries for substantial orders of tin plates, particularly from the packing houses of South America. There has also been a fairly active demand for inland consumption, and prices have been firmly maintained at from 18s to 18s 3d per basis box work's port. Galvanised sheets are steady at £13 10s per ton, and tinplate bars at £6 for the local commodity and at from £5 10s to £5 12s 6d for Belgian and French bars. Negotiations are in progress for the arrangement of an agreement between South Wales and American tinplate manufacturers for the distribution of overseas trade on the basis of existing ratios with a view to the avoidance of wasteful price cutting. It is understood that if the arrangement is completed it will secure the European market against any competition from the United States, and the American manufacturers against British competition in some of the South American markets.

OTHER METALS.

TIN.—A firm tone prevailed in the standard market, sellers being more reserved in face of higher Eastern advices and a fair general inquiry, though dealings disclosed slight irregularity at times, and tone since easier. Stocks in London and Liverpool warehouses for week ending September 1st totalled 1,619 tons, compared with 1,343 tons at same time last year, while total visible supplies at the end of August amounted to 18,456 tons. Standard cash sold at £214 to £211 5s, with three months at £210 5s to £208 10s and £209 5s. Sales in the East were reported at £215 to £212 10s per ton, c.i.f. terms.

COPPER.—Business was somewhat restricted, and prices slightly irregular, but fairly steady on balance, as sellers refrained from pressing. Standard cash sold at £62 15s to £62 17s 6d, three months £63 1s 3d to £63 8s 9d and £63 7s 6d.

LEAD was actively supported, and after a firm interval closed easier on heavy offerings. Good soft foreign pig, September, sold £22 6s 3d to £22 8s 9d and £22 3s 9d, October £22 2s 6d to £22 5s and £22 1s 3d, November £22 1s 3d to £22 2s 6d and £22 1s 3d, December £22 1s 3d to £21 17s 6d.

ZINC in fair request at full to firmer rates. September sold £24 16s 3d, October £24 17s 6d, November £24 17s 6d, £24 15s to £24 17s 6d ton.

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ANTIMONY quiet. English regulus quoted £59 10s to £60. China ditto, spot, £39, September-October £37 10s to £38 ton, c.i.f.
ALUMINIUM steady. Home delivery, ingots and bars, £95 10s ton.
WOLFRAM.—Straits quality quoted 15s 9d to 16s per unit, c.i.f.
QUICKSILVER firm. Spot quoted £23 10s per bottle.
TIN PLATES steady. I.C. coke, prompt and forward, 18s to 18s 3d per box, f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, Sept. 5, 1928.

We have experienced idle markets during the week under review, and the tendency has been towards slightly lower prices. Operators are disinclined to commit themselves on either side, in view of the U.S. Government crop estimate to be published on Saturday next. Although rumours of weevil damage keep coming forward, not unfavourable weather news and some hedge selling have tended to depress prices. Spot sales for the 30th ult. to 5th instant (inclusive) are 32,000 bales, of which 18,160 are American, 1,750 Brazilian, 5,250 Peruvian, 2,400 Egyptian, 2,500 African, 1,070 East Indian, and 840 sundries. Imports for the same period are 29,842 bales, of which 11,604 bales are American, 3,761 Brazil, 5,000 Peru, 9,072 Egyptian and 405 African. Quotations to-day are:—American middling 10.52d, Egyptian sakel 19.05d, Egyptian uppers 12.65d, Brazil fair 10.72d, Peru G.F. mod-rough 11.30d, Peru G.F. smooth 11.47d, West African middling 10.32d, and East African G.F. 13.40d.

MANCHESTER, Sept. 5, 1928.

The raw cotton situation has continued to dominate the Manchester market, and the near approach of the next Bureau report on the American cotton crop has been the chief factor which has contributed to the lethargy of buyers. Spinners and manufacturers have reported an unsatisfactory week. There has been a further shrinkage in the amount of cloth business offering, and no transactions of weight have been mentioned. Buyers have been in no hurry to operate for the course of prices in the immediate future has been too uncertain to purchase with confidence. Only a sorting up cloth trade has been done chiefly for India. China and the remaining minor outlets have only given trifling support. American yarn quotations have been irregular. Weak selling in this section is still prevalent. The turnover in Egyptian numbers has not been important. It is still expected that business in yarn and cloth will broaden towards the end of the month. There are definite signs of shippers and merchants being prepared

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to operate at an early date provided that no serious price disturbance takes place as a result of the next Bureau report.

Comparative Statement of the Cotton Trade.

	1928.					Corresp'd Date.
	Aug. 15.	Aug. 22.	Aug. 29.	Sept. 5.	1927.	
Raw Cotton—Mid. American.....per lb	10.51	10.42	10.58	10.52	10.30	9.26
—Sakelardie Fully Good Fair						
—Egyptian.....per lb	18.33	18.65	19.05	19.05	17.10	17.00
Yarns—12's twist.....per lb	15.2	15.2	15.2	15.2	15.2	15.2
—40's twist.....per lb	15.2	15.2	15.2	15.2	15.2	15.2
—50's twist (Egyptian).....per lb	23	23	23	23	23	23
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	25	25	25	25	25	25
36-in. Shirtings, 75 yds, 19 by 19, 32's and 40's	25	25	25	25	25	25
38-in. ditto, 58 yds, 18 by 18, 32's and 40's	25	25	25	25	25	25
39-in. ditto, 57 yds, 18 by 18, 32's and 40's	25	25	25	25	25	25

THE WOOL TRADE.

Our Bradford correspondent writes:—Sydney cables are couched in somewhat stronger language, and stress the point that there is more active buying, particularly by Japan and Russia, but there does not seem to be any increased keenness on the part of France, Bradford, or the United States to operate. These countries undoubtedly lack the incentive required to promote active operations at any selling centre, and we do not think there is going to be any undue haste on the part of importers to buy heavily on forward account. It is significant that conditions to-day are just the opposite to what they were a year ago, there being no anticipation of any shortage, and certainly mills are running less hours than a year ago, consequently users are lying low in the hope of obtaining still cheaper wool. It was mentioned on 'Change last Monday that average 64's tops could be bought for December and later delivery at 4s 1d, and probably this price has been taken. Limits in Sydney last week at about 1d more found wool obtainable, and we do not think Bradford at the moment is in any humour for increasing its limits. There are a large number of wool sorters out of work, and the amount of standing machinery in the woolcombing sector is uncomfortably large, but the time is approaching when the new spring orders will have to be placed, and this should bring about a larger consumption and an increase in running machinery.

COLONIAL WOOL.

(FROM A CORRESPONDENT.)

The event of the week is undoubtedly Colonel Willey's strong indictment of the serious miscalculation that obtained in Australia regarding the clip of 1927-28. As estimated shortage of 300,000 bales finally resulted in a lessened production of only 39,500 bales. The charge made by the leading Bradford woolman is serious, and must be looked at squarely. At the same time the difficulty of estimating a clip many months ahead must be apparent to any level-headed business man. No doubt the estimate was made in all seriousness; we have never known any occasion when there has been any deliberate attempt made in Australia or elsewhere to deceive the consuming end of the industry, and pastoral conditions similar to those of 1927-28 can easily make a difference of 200,000 bales. Instead of it being a source of recrimination, the fact of Australia having turned out a big clip during a partial drought should be cause for rejoicing and congratulation. Everybody sees Colonel Willey's point, when he says that Australian pastoralists received last season £6,000,000 more than they were entitled to. That loss is now coming upon the trade of Great Britain and Europe, and undoubtedly it is serious with trade as it is.

Cables to hand this week from Australia report a rather better market. No doubt the public cables are making the most of the increasing buying of Japan and Russia, the result being that there is rather less irregularity. Still, we have reason for saying that wool can be picked up on the same basis as a week ago, and it is patent that prices are ruling to-day in harmony with the lowest point of last season. The question arises whether even to-day's prices will satisfy either home or French buyers. We very much doubt it. Trade is certainly worse to-day in the countries named than for the past 25 years, and everybody seems to feel that nothing will revive trade like a period of comparatively cheap wool.

HIDE, LEATHER, AND ALLIED TRADES.

The hide position is steadily firming up again in many directions, although it is yet barely stable in this country. At last week's Bermondsey auctions, best ox made from rod to rod, seconds from old to old per lb. Provincial prices are a shade higher, and may be quoted at rod to rod for best selections. Best skins sold in Bermondsey from rod to rod, one or two clear skins sold at 1d. The outlook for foreign hides is improving. Stocks are low in most countries, values are advancing as quoted in the South American market. There has been a buyer of Argentinian skins, with few offerings. African hides are firm in price, 18d to 19d being asked. Australian hides are also firmer, Queensland

meatworks dry salted being quoted at 13gd, and N.S. Wales at 15gd. Latest cables from Chicago report the packer market as firm and strong, with 24¢ cents asked for best heavy packers.

Tanners seem optimistic as to future business, though at present merchants and consumers do not seem inclined to order much in bulk. The close proximity of the Shoe and Leather Fair may have something to do with this, as buyers now usually wait for the function to test market conditions, and act accordingly. Meanwhile orders are frequent for small filling up lines of light bends and offal at firm prices; in fact, some tanners profess to have advanced rates for September and October delivery. Repairing bends are in better demand, but there is a tendency toward the use of lower grades in many cases. Curriers are fairly well off for orders, and are sending out deliveries of semi-chrome, wax, and russet butts, linings, &c., but complain of the difficulty in making a profit at current prices of rough kips. Black glaze is moving off well, patent being a good second, whilst box and willow leathers are selling in small lots at very firm prices. The shoe section is improving, but there is still a good deal of unemployment in the shoe trade centres.

VEGETABLE OILS AND OLSEEDS.

Very quiet conditions rule, with a marked lack of buying interest in practically all sections. Linseed oil, however, is fully steady and has advanced to £8 5s per ton, naked, for delivery to the end of the year, but demand from consumers is almost negligible. Cotton oils have been in fair request, and are steady, crude Egyptian offering at £30, with technical refined again quoted at £33, and common edible £33 10s, ex Hull. Other seed oils are nominally unchanged.

In the oilseed section linseed offers freely, but very few transactions have been put through on English account. Current value of Plate is nominally £15 5s, spot and all positions to October. November, Calcutta to London, is around £17 10s, spot and shipment. The quantity of linseed afloat for Europe is 147,700 tons, or 8,800 tons less than in the preceding week. Shipments are at a fair level. Cottonseed has been subject to speculative attention, and values have been erratic. New crop Egyptian (black) is now quoted around £9 17s 6d for October-January loading. Oil cakes are a slow trade, with prices tending easier. The usual autumn demand has not made itself felt yet.

OVERSEAS PRODUCE.

FOOD, BEVERAGES, &c.

SUGAR.—Generally quiet conditions continue in this market, but at a decline of 3d a fair amount of business was concluded in British refined. Tate and Lyle's cubes, now, 28s 10gd to 29s 4gd; T.L., also No. 2 and London granulated, 26s 3d; ditto month, forward, 26s 1gd; yellow crystals, spot, 24s 9d; A. Caster, 30s; B. ditto, 28s 7gd; T.L. granulated sold, 25s 7gd; Dutch J., 25s 7gd; white Mauritius, 24s 1gd to 24s 3d. Colwick, Kidderminster, ready and September-October, 25s 9d; Cupar, October-December, 26s 3d; Selby ditto, sold, 25s 9d. Home-grown, Cantley, &c., 25s 9d, ex factories. Czech granulated, ready, nominally 14s 3d; November-December, 13s 3d, f.o.b., Hamburg. Dutch J., ready, sold, 14s; November-December, quoted, 13s 6d, f.o.b., Rotterdam. Polish crystals, ready, 13s 9d; November-December, 13s, f.o.b., Danzig. White Java to Europe and Calcutta slow, unaltered. Raws dull. Foreign 96 per cent. September-October to the U.K. quoted, 11s 4gd; preferential, 15s 3d; best 88 per cent., November-December, 12s 3d, c.i.f. terms. White Terminal dull, December sold, 14s; May, 14s 6d, cwt. Cuban receipts last week 61,160 tons, against 35,380 last year; exports, 96,700, against 73,880; stocks, 628,390, against 796,630. Stocks of raw sugar in the three chief ports of the United Kingdom, for week ending September 31st, amounted to 71,421 tons compared with 80,535 tons at same period last year.

COFFEE.—There is only a small off-take from the spot, but prices show no material change. Useful liquoring kinds mainly sought after. Kenya, bold, sold, 119s to 134s 6d; Colombian-Maragopipe, 196s 6d.

COCOA.—Market firmer, with rather more doing forward, but closing quieter. Accra, F/F, November-January, sold, 47s 6d to 48s 9d and 48s 6d, f.o.b. Terminal, October, sold, 51s 6d to 52s; December, 51s 3d to 52s 9d; March, 52s to 52s 6d; May, 52s to 52s 6d.

TEA.—About 55,370 packages Indian were submitted to auction this week. Quite a healthy tone pervaded the room, and offerings were well absorbed at full to rather dearer rates. Common and medium descriptions mostly cleared at 3d per lb advance. Some high quotations were recorded for stand-out tippy parcels. Very fine lots sold 3s 11gd to 4s 3gd. Ceylon sales totalled 24,450 packages. These constituted a more attractive selection, and an early clearance resulted. Prices for better medium teas, also fine, advanced 1gd to 3d, low medium and clean common 3d to 4d dearer. Numerous shipping orders were in evidence. Java and Sumatra auctions met a good demand at firm to dearer prices. New season's China in steady request. Kematics selling at 1s 11d to 2s; fine Lapsang souchong, 3s. London figures for last month as follows:—Imports, 45,077,861 lbs, against 45,278,235 last year; deliveries, 37,859,093, against 34,340,910; stocks remaining, 161,675,327, against 154,456,550 in 1927.

RICE.—Inactive and nominal as far as the European side of the commodity is concerned. S.Q. to Cuba, quoted 21s 1gd, f.o.b., on c.i.f. terms, prices have varied a good deal of late owing to position of freightage.

BEANS.—Rangoon haricots, spot, London, held for 19s. Otenast October-November, London, 25s 9d; November-December, 25s October-November, continent, 26s 3d, c.i.f. Madagascar b. spot, 25s to 26s, sales going on, as to sample.

FEAS.—Market slow but steady. Japanese, spot, London, 20s; August-September, 21s 3d; September-October, 20s 9d; October-November, 20s 6d; November-December, 20s 3d cwt, c.i.f., London. Demand limited for maples.

PEPPER.—Pepper in demand and firmer, though slightly unsettled forward. Sustained continental absorption remains in force. Lampung, August-October, sold, 1s 2gd to 1s 2gd and 1s 2gd; October-December, 1s 2gd to 1s 2gd; Muntok, August-October, 1s 9gd; October-December, 1s 9gd. Fair off-take of spot lots at full prices. Cloves firmer, with Zanzibar, October-December, quoted 10gd; spot, sold, 11d. Pimento, spot, rod per lb, and August-October steamer, London, sold, 88s per cwt., c.i.f. Sago flour, also the position of tapioca, quiet, unaltered. Dutch farina, 14s, f.o.b. African ginger, spot, 52s per cwt.

FRUIT (Dried).—Currants: Stocks small, and market steady. Patras, quoted 51s to 51s 6d; Amalias, 50s 6d; Gulf, 52s; Vostizza, 55s to 60s. New crop attracs good attention and prices firm. Sultanias Smyrna dull. Common to medium, 37s to 55s; good to fine, 56s to 62s; Cretan, 48s to 50s; Greek sell at 50s to 53s; Australian in better request at 45s to 56s, as to quality. Californian, bleached, 38s to 47s; Cape, bleached, 46s to 55s; unbleached, 38s 6d to 45s. Raisins quiet. Valencia, quarter boxes, 33s; Australian

Lexias, 40s to 45s; Cape, 36s to 40s. Figs steady. Genuine, spot, 20s to 30s; for shipment first half September, 22s; September, 21s, c.i.f. Dates firm to arrive. New crop, first tide, Hallowee, 23s; Siam, 14s 6d; Khedrowie, 18s, landed terms, London. Evaporated fruits: There is a better movement in large size plums on the spot, and prices maintained for new crop. Pears slow of sale, with a small business in Australian. Other descriptions unaltered. Californian pears, extra choice, 85s; fancy, 97s 6d; Australian, 87s 6d. Apricots, royals, best, 115s; second, 90s; third, 75s; Cape, second grade, 80s; third, 70s; Australian, 85s to 110s. Californian peaches, choice, 59s; extra choice, 63s; fancy, 67s 6d. Plums: Californian, small sizes range from 30s to 34s; and larger, 43s to 62s 6d. Apples: Californian, spot, sliced, extra choice, 110s per cwt. Almonds: Firm on small supplies. Apricot kernels: Indian sweet, spot, 100s; September-October, 97s 6d, c.i.f. China, bitter, spot, 53s; shipment, 54s 3d, c.i.f. Hazel kernels: Kerasunde, spot, 92s 6d; Barcelona, 97s 6d cwt.

CANNED GOODS.

CANNED FRUITS.—The market for Californian fruits exhibited a steady tone, though lacking activity, consumptive demand being restricted to immediate requirements. Forward positions, however, ruled firm, and packers indicate higher quotations for peaches and

COMMERCIAL TIMES—WEEKLY PRICE CURRENT.

The prices in the following list are revised with the assistance of an eminent firm in each department.

LONDON, THURSDAY.				DYESTUFFS, &c.				METALS—B. Copper				SUGAR—per cwt, dry 11s 8d.			
COCOA—Duty, British grown, 14s 4d, foreign, 14s 4d				Galls, China, per cwt				Best selected, 65 0 0				98 per cent. polarisation 3 d			
Trinidad, per cwt				Madras, per cwt				Sheets (strong), 94 0 0				98 per cent. polarisation 22 0 0			
Granada, per cwt				Madras, per cwt				Standard, 62 1/2 0 0				Crystallised, 24 0 0			
Ceylon, plantation, 62 0 0				Gambier, block, 32 6 0				Lead Eng. Pig per ton				Java, white, Calcutta, Jan-Mar. 12 10 0			
Guaymas, 68 0 0				Catch, ord. to fair				Soft Foreign, 24/3 0 0				Do U.K., Sept-Oct. 13 4 0			
Bahia, (best), 63 0 0				DYEWOODS—				Spelter G.O.B., 24/16 0 0				Return—London—			
COFFEE—British grown, 14s 4d, foreign, 14s 4d				Brazil, per ton				Do do bare, 21/16 0 0				Yellow Crystals, 24 9 0			
E. India, fine ord. g.d. mid 14s 4d				France, Jamaica, per ton				Standard, 21/16 0 0				Cubes, 28 10 0			
Do good to fine, 14s 4d				Guinea, per ton				OILS—Fish, per ton—				Crushed, 27 7 1/2			
Costa Rica, ord. to mid, 11s 0 0				Logwood, Campeachy, per ton				Seal, pale, 48 0 0				Granulated, 26 1 1/2			
Good to fine, 16s 0 0				Honduras, per ton				Linseed, p. ton net, naked, 28 10 0				Castor, 28 4 1/2			
Central American, g.d. ord., 11s 0 0				Jamaica, per ton				Flax, refined, 42 0 0				Pieces, 21 0 2 1/2			
to mid, 11s 0 0				Red Sanders, per ton				Crude, 42 0 0				Home Grown (prompt) 25 9 2 1/2			
Mid to fine, 12s 0 0				Sapang Ceylon, per ton				Cotton-seed, crude, 34 15 0				SPICES—Pepper, lb—			
Do g.d. ord. to low mid, 10s 0 0				FLAX—spot, c.i.f., 25 0 97 0				Refined, 39 0 0				Muscat, fair white, 2 0 1/2			
Do mid to fine, 13s 0 0				Riga ZK, per ton				Cocunut, crude, 39 0 0				Black Singapore, 2 0 1/2			
CHEMICALS—				Pernau HD, per ton				Dodorised, 46 0 0				White Siam, 2 0 1/2			
Acid, chloric per lb less 5%				Blanet Medium 1st sort 1 1/2				Palm, 35/0 0 0				Pimento, 2 0 1/2			
Nitric, 2 3 0 0				FRUIT—				Lead, American, 70 0 78 0				Cinnamon—1st sort, 2 4 0 0			
Oxalic, net, 3 4 0 0				Oranges, Denia & Val, 300 0 0				Petroleum—Oil, per 2 lbs				Do 2nd, 2 4 0 0			
Tartaric, English less 5%, 1 4 0 0				Do, 300 0 0				Water-White, 0/11 0 0				Do 3rd, 2 2 0 0			
Foreign, 1 4 1 1/2				Do S. African boxes 11 0 22 0				OIL Cakes, Linseed, Eng., per ton				Cassia lignea, 32 6 45 0			
Cream of Tartar, 25 0 0				Do Java boxes 14 0 0				Do do, 212/6 0 0				Cloves—Zanzibar, 0 11 3 0			
English per cwt less 2 1/2%, 25 0 0				Do S. African boxes 14 0 0				OIL SEEDS—				Penang, 1 8 1 1/2			
Foreign, 99%-100%, 25 0 0				Do Brazilian boxes 14 0 0				Do do, 25 0 0				Madagascar, 0 11 3 0			
Alum lump, per ton 15/0 0				Do Murcia & case 20 0 0				Do do, 25 0 0				Ginger—per cwt—			
Do ground, 15/0 0				Do Murcia & case 20 0 0				Do do, 25 0 0				Cochin, small rough, 55 0 0			
Ammonia, earthen, 37 0 39 0				Melons, Val, case 21s 6d				Do do, 25 0 0				Calicut, 62 0 0			
Muriate, White, ton 18 10 0				Do do, 25 0 0				Do do, 25 0 0				Japan, 60 0 0			
Do do, 18 10 0				Famons, Naples, cases				Do do, 25 0 0				Jamaica, ord. to good, 90 0 135 0			
Muriate, White, ton 18 10 0				Do boxes				Do do, 25 0 0				Mace, 2 9 3 10			
Argenic, lump, per ton 35 0 40 0				Do Sticilian boxes				Do do, 25 0 0				Nutmegs, 55s, 2 0 0			
Powder, per cwt 18 6 19 6				Do cases				Do do, 25 0 0				110s and 80s, 1 3 1 0			
Ashes, pot, per cwt 65 0 70 0				Do Murcia cases				Do do, 25 0 0				Chillies—per cwt—			
Bleaching powder, per ton 6/2 6 8/30				Grapes, Lisbon, boxes				Do do, 25 0 0				TALLOW—per cwt—			
Botax, gran., per ton 15 0 0				Almeria, barrels				Do do, 25 0 0				Good mutton, 43 0 0			
Do crystals, 15 0 0				Val, Ous, cases				Do do, 25 0 0				Beef, 41 9 0 0			
Calomel, per lb 1 1 1/2				Apples, American, bbls				Do do, 25 0 0				TAPIOCA—per lb—			
Iodine, dry, per lb 12 10 0				Australian (var), bbls				Do do, 25 0 0				E. I. Flake, fair, spot, 22 6 0 0			
Nitrate of Soda, per ton 13/10 0				Tasmanian Boxes (var)				Do do, 25 0 0				Medium Pearl, 21 6 25 0			
Potash—Chloride, net, 0 32 0 34				HIDES—Wet salted—				Do do, 25 0 0				Good, 21 0 25 0			
Prussiate, 0 8 0 8				Australian, per lb				Do do, 25 0 0				TEA—Duty 3d, British, foreign, 4d per lb—			
Do Foreign, 0 13 0 7				West Indian, per lb				Do do, 25 0 0				Indian and Ceylon—			
Sulphate, per ton 11 0 12 0				Cape, 0 6 0 10 1/2				Do do, 25 0 0				Pekoe, 0 10 2 2 1/2			
Sulphate, per ton 11 0 12 0				Lisbon, 0 5 2 11 1/2				Do do, 25 0 0				Broken Pekoe, 0 10 2 8			
Sulphate, per ton 11 0 12 0				Oporto, 0 4 9 11 1/2				Do do, 25 0 0				Orange Pekoe, 0 10 2 10 1/2			
Sulphate, per ton 11 0 12 0				Dry & Drysalted Cape, 0 9 11 1/2				Do do, 25 0 0				Broken Orange, 0 10 4 3 1/2			
Sulphate, per ton 11 0 12 0				Madagascar, 0 6 11 1/2				Do do, 25 0 0				Pekoe Souchong, 0 10 1 6 1/2			
Sulphate, per ton 11 0 12 0				Central American, 0 4 11 1/2				Do do, 25 0 0				TIMBER—ex, yd—			
Sulphate, per ton 11 0 12 0				Bantolles, Singapore, 0 5 0 11 1/2				Do do, 25 0 0				Swedish 1 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				E. I., 0 6 11 1/2				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Market Hides, London, 0 10 0 10 1/2				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Best hyv. or & heller, 0 8 1/2 0 10 1/2				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Do lights do, 0 8 1/2 0 10 1/2				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Do dry, heavy, 0 8 1/2 0 10 1/2				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Do light, 0 5 0 9 1/2				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Do cow, 0 8 1/2 0 10 1/2				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Do do, 0 8 1/2 0 10 1/2				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Do calf, 0 13 1 1 1/2				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Do do, 0 12 1 1 1/2				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				INDIA RUBBER—lb—				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Para, fine hard spec, 0 10 0 0				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Plantation sheet, 0 11 0 0				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				INDIGO—per lb—				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Bengal, g.d. red vio. to fine, 5 6 6 0				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Mid. ord. vio. to good, 5 0 5 0				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Low to good ord., 4 0 5 0				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Madras, dry leaf, good, 2 6 3 6				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Do low to ord., 1 4 2 6				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Ruyphal, g.d. mid. to g.d., 4 2 6 0				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
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Sulphate, per ton 11 0 12 0				Low to mid., 3 0 4 0				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
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Sulphate, per ton 11 0 12 0				Low to mid., 3 0 4 0				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Low to mid., 3 0 4 0				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Low to mid., 3 0 4 0				Do do, 25 0 0				Do do, 2 1/2 x 8, Pk. 13 1 0			
Sulphate, per ton 11 0 12 0				Low to mid., 3 0 4 0				Do							

apricots. Singapore pines continue in quiet request on spot, with ample supplies on offer, while larger quantities of Hawaiian are now available. Italian tomatoes tend firmer, owing to adverse crop reports.

CANNED FISH.—Sardines in steady demand, and market firm, as fishing results are disappointing. Portuguese clubs quoted 5s. Salmon meets with moderate attention, but prices irregular, and tendency easier in sympathy with lower quotations for new pack. Red talls, spot, 44s to 46s; pink talls not available, but halves quoted 32s to 35s. Japanese crab steady and best halves quoted 92s 6d to 95s. Lobsters in fair demand at steady rates, halves quoted 140s to 145s; quarters, 77s 6d to 82s 6d.

CANNED MEATS.—Corned beef quietly steady. Of tongues, ox in less request, but late rates maintained, while lunch tends easier. Danish tinned cooked boned hams sell freely at higher prices.

CONDENSED MILK AND MILK POWDERS.—Market fairly steady. Milk: Full cream sweetened, English, spot, 45s; Dutch, 42s 6d; September, 43s 3d; October-December, 44s 6d. Machine skimmed sweetened, English, spot, 27s; Dutch, 27s; September, 27s 6d; October-December, 28s 6d; all in 5 cwt barrels. Powders: Spray, F.C., 26 per cent., 2 by 56 lb tins, prompt shipment, 98s; Spray, M.S. (1 cwt cases), 50s; Roller, F.C., 26 per cent., 85s; M.S., 44s 6d, all net, duty paid, ex-wharf, London. On the grocery side, F.C.S., 21s; M.S.S., 13s, basis per case, usual packing.

HONEY.—A steady demand continues for all good grades of set Jamaica, so that supplies are now limited. Pale amber sells at 45s, and amber, 38s to 40s, while suitable parcels for manufacturing are available at 32s 6d. White set San Domingo firm, with business passing at 50s. New Zealand also sells readily at 58s to 88s per cwt, as 14 quality.

RUBBER.

A quiet market and there is no outstanding feature to touch upon. Sellers were rather more numerous in the October position. Sheet spot and September, sold, 8½d to 8¾d; October, 9d to 9½d; November, 9½d to 9d; December, 9½d to 9d; January-March, 9½d to 9¾d; April-June, 9½d to 9¾d. London landings last week, 1,337; deliveries, 2,219; and stocks reduced, 882 tons to 31,933 which compare with 65,162 same time last year.

GENERAL.

JUTE.—Market steadier but business disclosed some diminution. Firsts, July-August and August-September, Hamburg, sold, £35 10s; September-October, at £35 10s; November-December, £35 15s. Lightnings, September-October, sold, £31 10s ton. Hessians steady, fair demand to oz by 40.

HEMP.—Apart from some interest in K and L 1 grades, buyers are very indifferent and general position nominal. There, September-November, quoted £30 15s. Bids for afloat parcels are couched in a comparatively low strain. New Zealand fair sold, £30 10s, spot, London. African sisal, no change in quotations, and reserve of

offers from the other side still marked. No. 1, f.a.q., September-October, £36 per ton. Manila receipts last week, 29,000 bales, against 29,000 last year. Estimate for next week, 32,000, and week after 29,000 bales.

SHELLAC.—Firm. T.N., spot, 225s; October, sold, 220s; December, 210s per cwt.

COPRA.—Dullness was the salient feature, with slight weakness in prices. Straits S.D., September-October, Rotterdam, quoted £25 15s; October-November, £26; Dutch E.I., ditto, £25 10s; September-October and Ceylon, £26 15s; South Sea K.D., to Marseilles, £24 15s. Palm kernels, September-October, Hamburg, £20 2s 6d ton.

TALLOW.—Messrs Colchesters and Woolner write on September 5th as follows:—The tallow market has been quiet on the spot during the week, and for some kinds prices are 3d lower to-day. Meanwhile there are few sellers for shipment, and buyers are not attracted by the prices asked. The stock in London on August 31st, as returned by the wharves, amounted to 5,017 packages, showing an increase during the month of 129 packages. At auction to-day 738 casks tallow were offered, and 211 were sold. Quotations are:—Australian mutton: Fine, 44s; good to fair, 43s to 41s; dull to dark, 39s to 37s 6d; hard, 43s. Australian beef: Fine, none; good to fair, 41s 9d to 40s; dull to dark, 37s 9d to 37s; sweet, 46s. Present shipment from Australasia—Good mixed, 41s, nominal. Present shipment from South America—41s 6d. The market letter is unchanged. Town tallow, 37s 6d per cwt. Rough fat, per 8 lbs value, 7½d; melted stuff, 27s 6d per cwt. Quotations are: Town, 37s 6d net cash, naked, ex works. Country—Frail casks, 38s; home melted, shipping casks, net f.o.b., good coloured, 40s; fair to dull, 39s to 38s. Bone fat: white, none; pale, none; benzine, 32s 6d; melted stuff, 32s, f.o.b.

MISCELLANEOUS.—Coconuts quoted 18s to 23s per 100. Coir yarn, Ceylon, £18 10s to £40; Cochin, £22 10s to £40; Ceylon bristle, £19 to £25 10s; cinnamon leaf oil, 4d; citronella, Ceylon, 1s 9d; Java 1s 10½d.

METROPOLITAN CATTLE.—September 5.

British Beasts, per stone of 8 lbs to sink the offal. Sheep per stone.

Beasts—Norfolk	Beasts—Heavy Bulls	Beasts—Light Bulls
Irish	Canadian	Canadian
Cambridge	Sheep—Downs	Sheep—Downs
Short Horns	Half bred	Half bred
Herefords	Ewes	Ewes
Devons	Scottish	Scottish
Leicester runs	Lamb—Downs	Lamb—Downs

LONDON POTATO MARKETS.—September 5.

English Edward	Per Cwt.
" Queens	5 0 7 0
" Eclipse	5 0 5 6
Great Scot	5 0 6 6

THE COMMERCIAL BANKING COMPANY OF SYDNEY LTD.

(INCORPORATED IN NEW SOUTH WALES.)

(with which is amalgamated The Bank of Victoria Limited)

EIGHTIETH ANNUAL REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30th JUNE, 1928.

Presented to the Shareholders at an Ordinary General Meeting held at the Head Banking House, 343, George St., Sydney, on Friday, 27th July, 1928.

The Directors submit to the Shareholders a Statement of Profit and Loss and a Balance Sheet showing the Liabilities and Assets of the Bank on the 30th June, 1928, and present the following Report:—

The balance at credit of Profit and Loss Account, after adding the amount brought forward and deducting Interim Dividend at the rate of 10 per cent. per annum, paid on 24th January, 1928, rebate or current bills and accrued interest on fixed deposits, reducing out of which the Directors recommend the following appropriations:—

To Payment of a Dividend for the past half-year at the rate of 10 per cent. per annum ... £236,950 12 6
 " Transfer to Reserve Fund (making it £4,075,000) ... 125,000 0 0
 " Transfer to Bank Premises Account ... 50,000 0 0
 " Balance carried forward ... 65,215 3 8

During the year branches of the Bank have been established at 11a, Castlereagh Street (Sydney), Eastwood and Rose Bay, in New South Wales; at Bordertown, Millicent, Mt. Gambier and Naracoorte, in South Australia; and at Footscray in Victoria. The Branch at 69, King William Street, London, was closed on 19th November last, the business being transferred to the branch at 18 Birchin Lane.

LIABILITIES AND ASSETS (including the figures of the London Branch by Cable).

	£	s.	d.		£	s.	d.
LIABILITIES.				ASSETS.			
Capital Paid Up	...	24,739,012	10 0	Coin, Bullion, Australian Commonwealth Notes and Cash at Bankers	...	8,806,256	3 10
Reserve Fund	...	3,950,000	0 0	Money at short call	...	885,000	0 0
Reserve Capital	...	4,739,012	10 0	Short dated British Treasury Bills	...	2,795,000	0 0
		£13,428,025	0 0	British and Australian Government Stocks and other Securities	...	6,576,851	19 1
Capital Paid Up	...	24,739,012	10 0	Bills Receivable in London and Remittances in transit	...	5,041,443	15 4
Reserve Fund	...	3,950,000	0 0	Notes and Bills of other banks	...	375,590	17 4
Notes in Circulation	...	8,689,012	10 0				
Bills in Circulation	...	14,244	10 0				
Deposits and other Liabilities	...	2,149,048	12 7				
Profit and Loss Account	...	51,824,699	2 9				
		£63,154,170	11 6				

Bills discounted and other debts due to the Bank 37,316,784 7 1
 Bank premises, furniture, &c. ... 1,357,143 8 10
 £63,154,170 11 6

PROFIT AND LOSS.

To Interim Dividend for the Half-year ended 31st December, 1927, at the rate of 10 per cent. per annum, paid on 24th January, 1928 ... 236,261 9 2
 Balance proposed to be dealt with as follows:—
 To Dividend for past Half-year at the rate of 10 per cent. per annum ... 236,950 12 6
 " Reserve Fund ... 125,000 0 0
 " Bank Premises Account ... 50,000 0 0
 " Balance Carried forward ... 65,215 3 8

477,165 16 1/- side
 2713,427 5 3d, f.o
 60,184 4 0 owing

By Amount brought forward from last year ... 63,243 1 10s. C
 " Profit for Year ended 30th June, 1928 ... 271, Madagascār

GEORGE J. COHEN, Chairman. J. R. DRYHURST, Gen.

that we have examined the bills, compared the balances and counted the cash in the Hf
 OF SYDNEY LIMITED, and have compared the returns of the Branches, an
 Sheet.

HARRINGTON B. COWPER, JUSTIN J. BRE

The Economist,

WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER

SATURDAY, SEPTEMBER 15, 1928.

No. 4,438.

ROYAL EXCHANGE ASSURANCE

Incorporated A.D. 1720.

All classes of Insurance transacted and the duties of Executor and Trustee undertaken.

For full particulars apply to:—

Head Office: Royal Exchange, London.

BANCO NACIONAL ULTRAMARINO.

STATE BANK OF THE PORTUGUESE COLONIES.

Head Office: LISBON.

Established 1864.

Capital: 50,000,000\$00, fully paid.

Reserves: 49,000,000\$00.



OFFICES IN THE FOLLOWING COUNTRIES: Portugal, Portuguese East and West Africa, India, China, Timor and Brazil.

Paris Office ... 8 Rue du Helder.

Angola ... Banco de Angola.

Belgian Congo ... Banco de Angola.

New York—Trust Co. of N. America—93 Liberty Street.

AGENTS & CORRESPONDENTS IN ALL PARTS OF THE WORLD.

London Office: 9 BISHOPSGATE, E.C.2.

Telephone—London Wall 0295. Telegrams—Ultramarino, London.

BANCA COMMERCIALE ITALIANA.

Established in 1894. Head Office: MILAN. Capital 700 million Lire. Reserves 540 millions. Deposits 7,578 millions.

Branches in every centre of commercial and industrial importance in Italy; also in London, New York, and Constantinople.

Affiliated and Auxiliary Institutions in France (Paris and Riviera), Switzerland, Czechoslovakia, Poland, Austria, Hungary, Bulgaria, Roumania, Egypt, Brazil, Argentina, Chile, Uruguay, Peru, Colombia, Ecuador, etc.

London Office

10a, Threadneedle Street, E.C.2.

E. CONSOLO, Manager.

Correspondents to the Italian Treasury.

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THE MONEY MARKET.

REPAYMENTS to the Bank on Monday and Tuesday together with the usual window-dressing operations on part of the banks, produced stringent conditions in the short loan market in the early days of the week. Repayments of daily loans were generally 4 per cent., with up to 5 per cent. paid for new money, but later on money was paid

on the basis of $3\frac{1}{2}$ per cent. Discounts have remained practically unchanged, with business quiet, there being little disposition to take a view under present conditions. Meanwhile, the demand for bills to replace maturities and to supply Continental requirements, has prevented the development of any firmer tendency, despite the weakening of the New York exchange, the purchase on German account of the open-market gold, and the withdrawal on Wednesday of £500,000 sovereigns from the Bank for shipment to Canada. In fact, whenever money has been in plentiful supply there have been ready takers of the current Treasury bills at 4-7-32 per cent., and the India six months' bills, issued last month at just a fraction under $4\frac{1}{8}$ per cent., have changed hands at $4\frac{1}{8}$ per cent. during the week, a rate which suggests remarkable faith in the ability of London to get through the autumn on the present $4\frac{1}{8}$ per cent. Bank rate. The three months' rate in the market seems to be kept at the ordained level of $4\frac{1}{8}$ per cent. with some difficulty, although the New York, Canadian, and German exchanges are practically at the export gold points, and the Bank, as indicated by the further substantial fall in its securities this week, is evidently endeavouring to promote firmer conditions by keeping the supply of money in the short loan market within bounds.

	Sept. 13, 1928.	Sept. 6, 1928.	Aug. 30, 1928.	Aug. 23, 1928.	Previous Rate and Date Changed.
Bank Rate	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	5 (Apr. 21, '27)
Banks' Deposit Rate	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	3 (Apr. 21, '27)
Discount (Call)	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	3 (Apr. 21, '27)
Houses' Notice	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$3\frac{1}{2}$ (Apr. 21, '27)
Market rate (3 months' bills) ..	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	$4\frac{1}{8}$	..

The Bank return shows an increase of £8,100 in the stock of gold. Circulation was reduced by £760,800. Reserve was £768,900 higher. Public Deposits declined by £5,412,300 and Other by £10,498,400. Government Securities were reduced by £10,590,300, and Other securities by £6,060,700. The proportion of reserve to liabilities is $55\frac{1}{2}$ per cent., against $47\frac{1}{2}$ per cent. in the preceding week. Currency notes were reduced by £1,319,000 to £296,682,000, which includes £1,249,600 for notes called in but not yet cancelled. The fiduciary issue is £239,182,400, or £5,752,700 below the maximum for 1928.

The monthly statement of average weekly balances of the London clearing banks for August, which is given in detail on a later page, shows a decline in deposits and a further expansion in acceptances.

	April, 1928.	May, 1928.	June, 1928.	July, 1928.	Aug., 1928.
Capital and reserves	129.3	130.0	130.5	130.5	130.5
Acceptances	150.0	150.4	150.8	150.7	173.9
Deposits (incl. undiv. profits, &c.) ..	1,690.5	1,688.0	1,736.4	1,748.9	1,731.6
Total Liabilities	1,969.8	1,968.4	2,017.7	2,039.1	2,036.0
Coin, notes, balance at Bank, and cheques in course of collection ..	247.7	247.1	259.3	248.5	244.3
Money at call	151.1	145.9	151.5	145.3	135.9
Investments	257.0	256.7	255.6	260.0	261.2
Discounts	197.1	198.9	234.5	257.2	254.1
Loans and advances	933.1	935.5	931.7	933.2	931.3
Cover for accept., premises, &c.	183.8	184.3	185.3	191.9	209.3
Total assets	1,969.8	1,968.4	2,017.7	2,039.1	2,036.0

Cash has again receded and call money is also lower. Investments are slightly higher. Discounts and loans and advances are lower as compared with the preceding month.

NEW YORK MARKETS.

Our New York correspondent cables:—The share market has remained active, with a large public participation and some signs of realising. There has been a further easing of time money rates, but the Federal Reserve movements show purchases of bills and Government securities, with some reduction in discounts and a movement of funds to the interior. It is expected that authorities will continue open-market purchases in order to stabilise money rates during the autumn period.

It is also thought that gold is likely to be imported, but the intimations are that the movement will probably be moderate. Industrial activity continues strong, and optimism prevails regarding the course of general business and the level of profits.

THE STOCK MARKETS.

Investment demand was less in evidence, and though fair activity characterised a number of the industrial markets, demand was increasingly selective and of a somewhat professional character. Dealings in gilt-edged stocks were restricted, and fresh dullness occurred in home rails. Argentine stocks, however, improved on the maintenance of final dividends at last year's level. Speculative attention was given to the minor gramophone shares and to tobacco companies and match companies, while artificial silks showed some improvement. Rubber shares were dull on a further fall in the commodity. The oil market was quiet, and the absence of French interest was a source of weakness in Kaffirs.

THE COMMODITY MARKETS.

Markets are uneventful this week. Wheat prices are a shade lower. The coal export position is a little better, and the tone of the iron and steel market continues to improve. Other metals continue steady, though tin is inclined to be quieter. The cotton crop report has resulted in a fall in values, and trade in piece goods continues to be restricted. The anticipated fall in wool prices has begun, but its effect on buyers is scarcely visible yet. Jute is quiet, and rates are largely nominal. Hides and leathers are fairly steady. Vegetable oils, oilseeds and cakes are easy. Sugar is firmer.

FOREIGN EXCHANGES.

The foreign exchange market was again quiet, the feature being the weakness of sterling against the dollar, the lowest level this year—4.85 1-32—being recorded on Thursday of this week. The Continental exchanges also, where they moved, tended to go against this country. Forward New York was still in good demand at premiums of 1-1-32 cent and $\frac{1}{2}$ cent for the two periods. The Montreal rate was again lower at 4.84 $\frac{1}{2}$, after being at 4.84 $\frac{1}{2}$. Forwards were unchanged. Paris improved from 124.27 to 124.20, and forwards were firm at premiums of 4 and 14 centimes. Brussels was unmoved spot and forward. Madrid fell away from 29.27 to 29.36, after touching 29.37, but the control is evidently too well maintained for the rate to be allowed to go much higher. Forwards were unaffected. Milan again showed some weakness, and the rate rose from 92.68 to 92.78; but forward lire were more sought at narrower discounts of 5 and 15 centesimi for one and three months respectively, as against 9 and 25 centesimi last week. Lisbon was unchanged at 107 $\frac{1}{2}$. Of the gold exchanges, Amsterdam, after being below 12.09 $\frac{1}{2}$, was unchanged on balance at 12.10 $\frac{1}{2}$. Berlin improved to 20.35 $\frac{1}{2}$. Geneva was unchanged at 25.19 $\frac{1}{2}$, after having touched 25.19 at one time. The other European exchanges were unchanged. Forward guilders were better at narrower discounts of $\frac{1}{16}$ cent. and $\frac{1}{8}$ cent, as against $\frac{3}{16}$ cent and $\frac{1}{4}$ cent last week. Forward reichsmarks again improved a little and discounts narrowed from $3\frac{1}{2}$ pfennigs to $3\frac{1}{4}$ pfennigs for one month and from 9 pfennigs to 8 $\frac{1}{2}$ pfennigs for three months' delivery. The South American exchanges were firm and showed practically no change. In the Far East the rupee was very firm, and improved to rs 6d, and the yen improved fractionally to 15 to 21-32d. Batavia was better at 12.10 $\frac{1}{2}$, as against 12.12 last week. The silver market was again quiet, with the Continent and India inclined to sell and China operating in both directions. Spot fell by $\frac{1}{16}$ d to 26 $\frac{3}{8}$ d, and forward by $\frac{1}{16}$ d to 26 $\frac{3}{8}$ d. The China silver exchanges were not much affected, Hongkong remaining unmoved at 25 0 $\frac{1}{2}$ d, whilst Shanghai again lost $\frac{1}{4}$ d at 25 7 $\frac{1}{2}$ d.

NATIONAL ACCOUNTS.

The following table shows the national expenditure during the week ended September

EXPENDITURE.	(000's omitted.)	RECEIPTS.	£
Supply Services	7,904	From Revenue	8,977
Interest, &c., on Debt	1,474	Increase in Debt	699
Sinking Fund	625	Decrease in Balances	490
Sundries	163		
	10,166		10,166

The Ordinary revenue for the week amounted to £8,977,500, as compared with £9,936,900 in the corresponding week last year. Property and Income-tax was lower at £1,191,000, against £3,143,000, and Super-tax at £130,000, against £210,000. Customs were higher at £3,784,000, against £2,325,000, but Excise at £925,000 was £204,000 lower. Ordinary receipts brought in £43,800, against £424,700, and Special receipts amounted to £24,600, as compared with £2,500. The national debt was increased by £699,300, as shown below:—

	(000's omitted.)	£
National Savings Certificates	100	9,100
National War Bonds	15,500	4,052
		3,115
		32
	15,600	16,299

The floating debt was increased by £13,245,000 to £761,700,000.

FINANCIAL YEAR, 1928-29, April 1 to Sept. 8, 1928.

EXPENDITURE	£	REVENUE	£
.....	325,256,519	.....	239,372,952
		Amount borrowed ..	81,911,386
		Decrease in balances ..	3,972,181
	325,256,519	Total	325,256,519

ESTIMATES (New Basis), 1928-29.

EXPENDITURE	£	REVENUE	£
.....	676,581,000	.....	*756,083,000
Sinking Fund	65,000,000		
Surplus	14,502,000		
	756,083,000		756,083,000

* Includes £13,200,000 from Currency Notes Assets.

SELF-BALANCING REVENUE AND EXPENDITURE.

	£
Post Office	57,314,000
Road Fund	21,300,000
	78,614,000

The surplus of £4,239,000 for 1927-28 is carried forward.

ECONOMIST INTELLIGENCE BRANCH.

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

LORD OXFORD'S AUTOBIOGRAPHY.

We may be forgiven for taking some little pride in the fact that for several years in his youth Lord Oxford was, as he himself records in his "Memories and Reflections," the regular writer of one of the two leading articles in the *Economist*. In a passage which he quotes from another writer somewhere in the book he has underlined the words "the pen and the tongue have essentially different techniques," and he never forgot this in his subsequent practice. But the foundation on which he built as a speaker was that of the scholarly writer, and it is not fanciful to suppose that this apprenticeship in serious journalism had an influence on his speaking style. He said so often himself in subsequent years, and not infrequently replied to those who reproached him with his supposed indifference to journalists, that he too was "one of the tribe." But his tribe was that of Bagehot, Atton and Townsend, whom he saw turning in their graves at some of the developments of modern and vulgar journalism.

Reviewers of these two volumes* have expressed a disappointment at the lack of revelations, and

* "Memories and Reflections." By the Earl of Oxford and Asquith, 1927. (Cassell) £2 2s.

even of self-revelation, which they find in them. They were bound to be disappointed. Lord Oxford was incapable of revealing himself in the manner of those popular statesmen who have a genius for publicity. He had no genius for publicity; he drew a firm line between his public and his private life; he had the academic man's distaste for every sort of *réclame*, and when he swayed a multitude—as he did on great occasions—it was by impersonal argument and not by the intimate appeal of the platform orator. The lawyer and the scholar were firmly entrenched in him, the one correcting irrelevance and the other exuberance, and both, as the Greeks say, "putting an ox upon his tongue." In a House of Commons still under the old tradition he found exactly the forum that suited him. No man could have given a finer or more spacious atmosphere to any argument touching its dignity or its rights; none so exactly represented its collective sense at the great moment when peace and war hung in the balance.

Such a man sitting down to write about himself was unlikely to make any direct disclosures. But indirectly and unconsciously he reveals a great deal. All through this book we get the sense of emotion under restraint. Now and again it breaks through, as when he says suddenly that the Liberal Party was "assassinated," or speaks of a speech of Mr Lloyd George's as "tosh" or "fustian." But these ebullitions are so rare and so much out of the picture that we feel almost a certainty that, if he had lived to revise the book, he would have struck them out. Again and again he seems to be coming up to some intimate disclosure—judgment of a colleague or account of a situation of which he alone could give the full details—and then suddenly he retires from the scene and prints a memorandum by a colleague or the estimate of somebody else. Lord Crewe's description of the fall of the first Coalition in December, 1916, could not be bettered as an account by a participator on that occasion, and it is a historical document of real importance; but what the reader was expecting was an account by the leading figure or victim in that transaction. How did he feel, what did he really think of the parts played by the different performers on this scene? Lord Oxford leaves us baffled and guessing.

Magnanimity was the word oftenest used about him in the tributes paid to him after his death, and its meaning becomes clearer on reading this book. It was no pose, but a natural benevolence of disposition which arrested the harsh judgment and made unending allowance for the frailties and difficulties of other people. There was a seed of weakness in this disposition, and a rougher handling of opponents and even colleagues would on certain occasions have served him and served the country better. But it explains how he was able to perform the all-but miracle of keeping left wing and right wing of an unusually difficult Cabinet and party together for six of the stormiest years of domestic politics, and bringing them united into the Great War. On the assumption that the war had to be, this was an enormous service to the country, and no one but a man of this disposition could have rendered it. He seems in this respect like a man born in due time for a particular national purpose; and his "Memories" help us to realise what patience and benevolence, turning of the blind eye, and unwearying effort in composing and conciliating went to its accomplishment.

But these qualities had their defects when the man of peace had to turn himself into a War Prime Minister. Again the "Memories" testify to the unruffled composure, the skill in composing quarrels and reconciling divergent views, which were still, and more than ever, necessary, but this time the public wanted something more. They wanted a man who could act and look the part, who would seem to be acting with decision and vigour, even when in the nature of the case a civilian Prime Minister could do nothing decisive or vigorous which would not have been mischievous. Asquith letting himself be eclipsed by his colleagues, seldom appearing in public, never answering his critics, taking on himself the blame for everything that went wrong, had neither the histrionic ability nor inward disposition which were necessary for this. He did not and could not be made to understand the silence and serenity which had served him so well.

ties convention. This is quite fair, for the present provisions only cover a few cases which happen to have arisen either out of the four European peace treaties or out of the admission of new States to membership in the League. If the procedure for safeguarding the rights of minorities is to be made more effective, it is reasonable for those States which are now affected to ask that other States shall place themselves on the same footing. The suggestion will cause such heart-searchings that it may be fatal to reform; and yet an effective arrangement for the welfare of minorities would be the best conceivable safety-valve for the international discontents of post-war Europe. It would obviate attempts to change post-war frontiers by force, and, more than that, in many cases it would solve difficulties which no change of frontier, either violent or peaceful, could remove.

Rail and Road Problems.—Transport problems have more frequently found a place in the proceedings of the British Association in recent years than was customary in earlier times. The theme discussed on Friday, September 7th, by Dr K. G. Fenelon, of Edinburgh University, on co-operation between rail and road transport, has received so much attention that the main points elucidated can be said to be matters of general acceptance. That the railways, for instance, will continue to be the chief carriers in terms of vehicles on wheels is equally agreed. Further, it is recognised that whilst there is a margin of traffic for which rail and road transport are economically competitive, for the most part the two services are complementary. Co-operation and co-ordination are necessary in the interests of both and of the public. Dr Fenelon classifies such co-ordination under three heads. First comes voluntary co-operation, each means of transport retaining its separate identity—a condition favoured by Dr Fenelon. Secondly, co-ordination might be secured by the railway companies exercising the powers granted them this year to operate road services and finance road transport undertakings. This might result in the subordination of road transport, though the experience of the London combine shows that this would not necessarily be the case. Thirdly, co-ordination might be the outcome of legal compulsion. This Dr Fenelon considers should be a last resort. In any case some sort of public control will be essential, since the more effective co-operation becomes, the greater will be the power of the combination. Dr Fenelon, however, did not touch on many matters which require thorough analysis. Why has so little progress been made in the direction of co-operation? What are the hindrances? The first is the rapid improvement in the road motor vehicle. Until this slackens it is impossible to define the economic sphere of road transport. It is even possible that we are on the verge of another great step forward if the tests now being supervised by the R.A.C. prove that an engine using crude oil as fuel can displace the petrol engine. There is again the question of the roadway. The railways have to earn some £36,000,000 a year in interest on the capital represented by their road, in addition to the costs of the latter's maintenance. The road vehicle obtains free use of the capital invested in the highways, and even if the whole proceeds of the petrol tax were applied to roads they would pay only a proportion of the maintenance costs. The railways pay for the control of their train working by signalmen, but public funds provide the police control of road traffic. The difference in public control of charges in the two cases must also be considered. There is no Rates Tribunal settling fares and rates for road transport, and no law prohibiting undue preferences. In the railway case control, based upon an assumption of monopoly, has grown until the railways' freedom is limited in most directions. Road transport is free, railway transport rigidly controlled. Where the law professes to control the road vehicle, as in the matter of speed, the law is honoured in the breach rather than in the observance. Voluntary co-operation on reasonable terms and a time-basis is dependent upon the modification of its office and similar hindrances. The Royal Commission

cently appointed will find in them its greatest task. Meantime, progress in co-operation depends mainly on the use of the powers granted to the railways to take part in road transport.

The Milk War.—This year the initiative in the annual struggle over milk prices has come from the producers. Poor hay and costly foodstuffs during the past season have played havoc with dairy farmers' profits, for the pressure of distributors at all times keeps the price received by producers at too low a level to allow an adequate margin for such risks. In consequence, dairy herds are diminishing, and the National Farmers' Union has approached the distributors with a demand for a rise in prices. In order to avoid raising the price to the consumer, this demand was ultimately modified to a request for a return to the prices of 1925-26, in which year the retail price was the same as it is now. Unaccountably, the distributors contended that the 1925-26 winter price of 15 5d per gallon could not be paid now without raising the price to the consumer. The soundness or unsoundness of this unconvincing contention can only be proved when the facts revealed by the Food Council's inquiry into the milk distributors' profits are before the public, and that, most unfortunately, will not be till November, unless the Council can see its way, in view of the urgency of the situation, to postpone other business and proceed immediately with this inquiry. Meanwhile, there is a deadlock, as the distributors offer, in reply to the farmers' demand for an average rise over the whole year of 11-12d per gallon, an increase of only 4-12d, leaving a margin of 7-12 to be fought for. The National Farmers' Union urges its members to supply no retailers until a settlement is reached, but to do their own retailing as far as possible, and to make arrangements for the conversion of the surplus into butter and cheese. The local associations are responding to this appeal with a solidarity of which British farmers have hitherto been believed incapable, and from all over the country come reports of arrangements for the retail distribution of milk by farmers' associations, in some cases at reduced prices. It looks like war to the knife, and the consumer begins to wonder whether there may not be a chance that this agricultural Armageddon will be followed by an era of peace, in which, outside the great cities at all events, the distributor is no more, and milk is economically retailed by farmers' co-operative societies.

The Fourth Year of the Dawes Scheme.—Particulars are now available as to the receipts and distribution of the fourth annuity under the Dawes Plan, the payment of which, the Agent-General announced last week, has been fully and promptly made. The total for the year amounts to one and three-quarter milliard gold marks, and there only remain to be paid on September 1st 79 million marks. The Agent-General's receipts account for the four years is as follows:—

RECEIPTS for the FOUR ANNUITY YEARS.
(On Cash Basis, reduced to Gold Mark Equivalent.)
(In Million Gold Marks.)

	First Annuity Year.	Second Annuity Year.	Third Annuity Year.	Fourth Annuity Year.
Balance of cash at August 31st of preceding year	..	107.0	93.6	185.5
Cash withdrawn from the proceeds of German external loan	800.0	..	..	..
Receipts in completion of previous annuity	..	250.0	410.0	570.0
Budgetary contribution	..	241.9	278.1	..
Transport tax	..	..	..	..
Interest and amortisation on railway bonds	200.0	550.0	540.0	..
Interest and amortisation on industrial debentures	..	125.0	250.0	..
Exchange differences and interest received	0.5	2.9	2.8	..
	1,000.5	1,276.8	1,574.5	1,935.9

The statement shows that transfers have been made during the year to an amount substantially equal to the year's receipts. In the two following

arise the payments since the plan started and their distribution to the four chief recipients:—

PAYMENTS for the FOUR ANNUITY YEARS,
(On Cash Basis, reduced to Gold Mark Equivalent.)
(In Million Gold Marks.)

	First Annuity Year.	Second Annuity Year.	Third Annuity Year.	Fourth Annuity Year.
Payments to various allied countries	789.0	1,080.2	1,280.7	1,640.5
Expenses of commissions	23.1	18.4	10.1	8.3
Service of German External Loan	77.5	97.2	91.3	90.5
Discounts, &c.	3.9	7.4	6.9	7.1
Cash in hand at end of annuity year	107.0	93.6	185.5	189.5
	1,000.5	1,276.8	1,574.5	1,935.9

DISTRIBUTION OF PAYMENTS.
(In Million Gold Marks.)

	To Britain.	To France.	To Italy.	To Belgium.	Total to Four Countries.
On acct. of Reparation Recovery Acts—					
First year	155.2	25.1	..	..	170.3
Second year	201.6	41.5	..	..	243.1
Third year	230.6	59.5	..	..	290.1
Fourth year	297.5	53.5	..	..	351.0
Occupation costs					
First year	30.2	144.2	..	20.7	195.1
Second year	20.6	56.9	..	8.6	86.1
Third year	20.7	49.2	..	3.7	73.6
Fourth year	12.9	50.6	..	2.2	65.7
Deliveries in kind—					
First year	4.5	227.3	60.4	72.8	365.0
Second year	..	426.1	71.8	101.0	589.9
Third year	..	413.3	76.4	52.6	542.3
Fourth year	..	477.7	80.2	88.6	646.5
Cash transfers—					
First year	..	..	..	..	..
Second year	4.5	39.1	5.3	4.6	53.5
Third year	51.2	116.2	16.3	12.4	196.1
Fourth year	49.2	279.7	39.3	17.8	386.0

Thus cash transfers are mounting rapidly, and though deliveries in kind are also rising, their total is now exceeded by transfers under the Recovery Acts and in cash. British occupation costs are falling, but not those of France.

American Cotton Crop.—Late on Saturday last, writes our Manchester correspondent, the United States Government published its second report for this season on the cotton crop, and in trading circles there was great interest in the figures. The condition as on September 1st was given as 60.3 per cent., against 67.9 per cent. on August 1st, 56.1 per cent. on September 1st last year, and a ten-year average of 57.6 per cent. The average yield per acre was returned at 153.9 lbs, against 152.2 lbs a month earlier and 149.3 lbs at the same time last year. The acreage abandonment was given as 3.8 per cent., the area remaining for harvest amounting to 44,916,000 acres. The estimate of the crop was 14,439,000 bales, excluding linters, against 14,291,000 bales a month earlier, last year's crop being 12,955,000 bales. It was recorded that so far this season 956,000 bales had been ginned, as compared with 1,534,000 bales at the same time last year, these figures indicating the lateness of the crop. In trading circles the statistics were interpreted as being bearish, and prices have declined about 1 lb. It must be said that raw cotton at the moment is not being made by selling than buying. World cotton is still declining, the trade demand being very weak. Things stand at present an American crop of 156 million bales during the next 12 months. The crop is expected to be marketed, and it is expected that hedge selling will be about a further fall in values. There is a

danger, however, of the short interest becoming rather unwieldy. Weather advices this week from the United States belt have been favourable, but a change in this connection might result in a temporary upturn in prices. Leading authorities, however, are convinced that the tendency of values during the remainder of this year will be lower.

Shipping Freight Index Number.—The August figure of our Index Number of whole-cargo shipping freights works out at 114.21, a rise of 4.74 per cent. on the month. The average level of freights, as measured by our Index, is now restored approximately to the point at which it stood in January last, but is 7 per cent. lower than a year ago. The figure for August, 1925, was 111.54, and for August, 1924, 121.49. The movements of the various groups in the Index are summarised as under:—

Date.	European Waters.	North America.	South America.	India.	Far East and Pacific.	Australia.	Total.
Basis (Average, 1898-1913)...	100	100	100	100	100	100	100
Average, 1913.....	110.03	113.09	123.37	106.29	117.38	127.89	116.34
February, 1920.....	814.31	529.89	757.52	744.81	587.02	712.16	690.95
December, 1920.....	268.90	277.17	244.10	256.79	286.72	347.18	280.14
December, 1921.....	160.05	164.07	163.72	144.43	141.25	166.47	156.67
December, 1922.....	137.09	135.15	129.19	122.61	136.08	159.34	136.57
December, 1923.....	134.03	132.72	120.09	124.35	125.07	144.21	130.08
December, 1924.....	117.44	129.18	119.45	119.76	129.29	161.13	129.38
December, 1925.....	116.98	121.57	117.03	110.05	110.10	154.90	121.77
December, 1926.....	139.71	156.10	145.93	132.85	129.22	179.82	147.27
December, 1927.....	105.57	116.16	113.58	114.16	124.93	139.76	119.03
January, 1928.....	106.69	106.94	111.36	113.62	121.43	127.30	114.56
February, 1928.....	105.55	106.40	106.16	112.36	114.05	113.95	109.74
March, 1928.....	101.67	104.77	102.81	106.68	115.12	119.29	108.39
April, 1928.....	101.57	103.68	106.61	105.85	116.18	126.41	110.05
May, 1928.....	101.47	100.70	105.95	110.05	111.94	124.63	109.12
June, 1928.....	99.58	100.43	100.77	103.96	108.78	123.74	106.21
July, 1928.....	103.42	103.68	105.66	99.37	110.34	131.75	109.04
Aug., 1928.....	105.28	111.28	107.08	108.37	116.19	137.09	114.21

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

	Index No.	Ino. or Deco. Points.		Index No.	Ino. or Deco. Points.
Home trade.....	86.01	+ 0.97	S. America—outwards.....	87.82	+ 7.08
Bay—outwards.....	113.76	+ 1.83	" homewards.....	126.34	+ 4.25
" homewards.....	139.65	+ 4.84	India—outwards.....	105.27	+ 4.22
Mediterranean—outwards.....	116.51	+ 1.63	" homewards.....	111.48	+ 13.78
" homewards.....	98.77	+ 0.96	Far East, &c.....	116.19	+ 5.85
North America.....	111.28	+ 7.60	Australia.....	137.09	+ 5.34

Outward coal freights to South America rose appreciably, but to other destinations showed, on balance, little change. Homeward grain rates from North America were firm, with business active still towards the close of the month, when the downward trend of cereal prices checked the volume of chartering. The South American market was quieter and homeward rates were easy. Quotations for cargoes from Bombay rose sharply, and the Far Eastern and Australian rates improved. The relation of the Index to the average for 1913 is shown in the following table, the year 1926, when our Index Number was distorted by the absence of British coal exports, being omitted as unrepresentative of the true trend of freights:—

Month.	1924.	1925.	1927.	1928.
January.....	117.11	..	114.49	..
February.....	123.78	..	115.96	..
March.....	122.09	..	106.63	..
April.....	117.22	..	104.24	..
May.....	114.27	..	98.23	..
June.....	108.62	..	91.74	..
July.....	103.75	..	94.90	..
August.....	104.43	..	95.87	..
September.....	110.50	..	98.19	..
October.....	115.55	..	99.49	..
November.....	112.76	..	102.23	..
December.....	111.21	..	104.67	..
Mean for year.....	113.44	..	102.22	..

North American harvest reports suggest that the grain trade will absorb a substantial volume of tonnage during the coming months, but the numbers of vessels available on demand is sufficiently great to render freights unstable. Temporary curtailment of chartering by shippers being immediately reflected in a downward fluctuation of rates.

Imperial Airways Meeting.—The speeches made by Sir Eric Geddes at the ordinary general meeting of Imperial Airways on September 7th, and at the extraordinary meeting which followed, were of considerable interest both to shareholders and the wider public which is concerned with the future of commercial aviation in England. On the financial side, the chairman (who is retiring owing to the pressure of other business interests) described last year as the turning-point in the company's fortunes. Traffic on the European route is 60 per cent. higher than two years ago, and though the chairman did not, as had been hoped, reveal the dimensions of the company's gross receipts, apart from the subsidies received from H.M. Government, his remarks left a strong impression that the large increase in net profits last year reflected the company's own efforts rather than enhanced assistance from outside. The directors, he declared, had no intention of calling up the outstanding 5s on each £1 share (15s paid) until they were satisfied that it could be "profitably employed in the development of the company." Under the new agreement the company will receive, instead of the £600,000 remaining under the former arrangement, some £2½ millions, distributed as follows:—£335,000 in each of the first two years, £310,000 in each of the next four, £220,000 in the seventh, £170,000 in the eighth, £120,000 in the ninth, and £70,000 in the tenth. The obligation to devote one-third of each year's earnings, after distributing 10 per cent. on the ordinary capital, to repayment of subsidies, is "completely wiped out," but the Secretary of State for Air, or his nominees, so long as they hold the £25,000 of deferred shares which are to be issued under the agreement, have power to veto any resolution for the voluntary winding-up of the company. The "weight of the Government," Sir Eric also declared, was "behind" the changes in the company's articles designed to preclude any possibility of foreign interest or control. The chairman made an important pronouncement as to the broad lines of the company's policy as at present conceived. Its future, they believed, lay in the development of long-distance Empire routes rather than cross-country services at home, conditions for the latter being relatively unfavourable

in a small island, with highly developed transport services going from the centre of cities, with bad weather for flying—our greatest enemy being fog and snow—and with aerodromes necessarily several miles outside great cities.

The new weekly London-Karachi service was looked upon only as a first instalment, a regular service to Australia and South Africa being an ideal at which the directors aimed. Up to the present, however, it would seem that the company has not been able to obtain a promise of further financial assistance from the Government for the purpose.

The Anthracite Coal Combine.—Jord Melchett and F. A. Szarvasy have so far as the rapid improvement in bringing the anthracite to the surface is concerned, until this slackens it is impossible to define the economic situation. It is even possible that the combine will succeed in its efforts to take a great step forward in the coal industry in South Wales under the combine. The combine is acquiring properties producing approximately 80 per cent. of an output of 5½ million tons. The most recent acquisitions have been those of the under-takings of the Welsh Anthracite Collieries, Limited, and Henderson's Welsh Anthracite Collieries, Limited. It is stated that these two properties produced last year 23 per cent. of the total output of the combine, or roughly 1.3 million tons, of the total output of the combine. The terms of purchase are exclusively Welsh anthracite. On the basis of an exchange of shares, ten Amalgamated Welsh Anthracite Collieries, Limited, are to be exchanged for preference shares and five ordinary shares are to be exchanged for preference shares, and nineteen Amalgamated ordinary shares; while in the case of Henderson's Welsh Anthracite Collieries, Limited, ten Amalgamated ordinary shares are to be given in exchange for five ordinary shares, and another ordinary share in exchange for every £1 fully paid 8 per cent. income note, amounting to £240,000. The 6½ per cent. debenture issue of the Welsh Anthracite Collieries, Limited, is to continue to be secured by that company's properties, but the £451,693 debenture issue of Henderson's Welsh Anthracite Collieries, Limited, is to be converted as to £451,693 into ordinary shares of that nominal amount, and the rate of interest on the remaining moiety reduced

from 7 per cent. to 5½ per cent., and the sinking fund suspended for five years. In consideration, however, of this reduced rate of interest, the debenture-holders in Henderson's Company will receive one Amalgamated ordinary share for every £10 debentures. To finance these transactions it will be necessary to issue £1,269,162 ordinary shares and £951,693 preference shares, and for this and other purposes it is now proposed to increase the capital by £2,500,000. Thus, within a few months the Amalgamated Anthracite Company have acquired four groups of collieries in South Wales. It will be recalled that in July last the combine paid £3,400,000 for the properties of the Vale of Neath Colliery Company, Limited, and £900,000 for those of the Gwaun-cae-Gurwen Company, Limited, and that of this total sum of £4,300,000 no less than £1,300,000, or just over 30 per cent., was to be satisfied in cash. At the end of 1927 the authorised share capital of the Amalgamated Anthracite Collieries, Limited, amounted to £5,000,000, of which £4,446,514 was fully paid. If the latest deals are sanctioned by the shareholders the capital of the company, including its own debentures and those of its subsidiaries, will amount to nearly £14 millions, representing just over £3 per ton. This would appear a very high rate of capitalisation, particularly when it is borne in mind that the present average capital cost of working the bituminous coal measures is estimated at about 20s per ton. It has always, however, been more expensive to work the anthracite than the steam coal measures owing to geological and other physical conditions, but recent inquiries show that the costs of production in the anthracite coalfield in South Wales have been roughly about 30 per cent. higher than in other parts of the coalfield, and that the average pit head price realised has been between 35 per cent. and 40 per cent. greater. In the marketing of its coals the new combine will possess great advantages, but experience alone will show whether the gains from these will be proportionate to the enormous sums paid for the property it has acquired. One reassuring fact is that, although the production of steam coals has been declining, that of anthracite has been increasing, and last year's output of 5,566,544 tons in South Wales was the largest in the history of that coalfield.

A New Wood Pulp Process.—A new process for the efficient production of wood pulp which has recently been perfected may have an important effect on the future of the industry. The ideal method of making pulp, writes a correspondent, is to boil the rasped raw wood under pressure with caustic soda solution, so that the lignocelluloses are dissolved and almost pure cellulose left as a pulp, ready for paper making, artificial silk manufacture, and all kinds of uses. But hitherto the residual liquor, known as "black lye," containing in solution the cellulose part of the wood and all the soda, has had to be thrown away as a waste product. Now, however, Dr Erik L. Rinman, a to be through the red recently by an English engineer, after nearly two years' work, has solved the problem. The black lye is a Swedish chemist, and has used a series of vacuum evaporators to a treacle-like product, which is then carbonised to produce a series of valuable products, including methyl alcohol, acetone, methylethylketone, and turpentine. As a result of the process, the revenue of a wood pulp mill can be substantially increased, since the same amount of pulp as before is produced, while "kraft" is obtained without having to use the sulphate process. The residue from the retorts, known as "soda coal," consists essentially of sodium carbonate and free carbon, and is burnt on a special design of mechanical stoker, which consumes over 97 per cent. of the carbon, the heat being used for steam generation, leaving the sodium carbonate free from combustion, which is then extracted with water and converted into caustic soda. As giving some indication of the yields, with 5,000 tons of "kraft" pulp there are produced 125 tons of methyl alcohol, 90 tons of acetone, 60 tons of methylethylketone, 60 tons of turpentine, and 250 tons of heavy oils, all valuable products which the demand is practically unlimited. A. Otenshaw, on these lines is now operating under the supervision of Dr Rinman at Regensburg in Bavaria, where the

the Danube, turning out 600 tons of pulp a month, while extensions are being carried out to give 2,000 tons a month. Also a strong British group is now to develop the process in association with the original company, Aktiebolaget Cellulosa, of Stockholm, and a mill is to be fitted in Great Britain.

Transvaal Output in August.—The output of gold from the mines of the Transvaal during August amounted to 891,863 ozs, as compared with 867,211 ozs in July and 863,345 ozs in August, 1927. The following table shows the monthly output since the beginning of 1922:—

	1922.	1923.	1924.	1925.	1926.	1927.	1928.
January..	639,728	764,469	796,768	823,692	796,270	833,782	843,457
February..	639,728	764,469	796,768	823,692	796,270	833,782	843,457
March ..	639,728	764,469	796,768	823,692	796,270	833,782	843,457
April	639,728	764,469	796,768	823,692	796,270	833,782	843,457
May	639,728	764,469	796,768	823,692	796,270	833,782	843,457
June	639,728	764,469	796,768	823,692	796,270	833,782	843,457
July	639,728	764,469	796,768	823,692	796,270	833,782	843,457
August	639,728	764,469	796,768	823,692	796,270	833,782	843,457
Total 8 months.	3,939,574	6,039,226	6,343,043	6,410,535	6,593,184	6,733,485	6,871,080
September..	747,089	739,504	739,422	797,247	839,939	842,118	..
October ..	778,159	793,842	827,583	812,834	832,296	855,743	..
November ..	764,476	780,639	823,313	787,633	849,276	818,059	..
December ..	790,712	778,849	825,273	791,455	836,157	851,229	..
Total	7,020,110	9,133,060	9,597,634	9,599,702	9,962,852	10,130,630	..

The number of natives employed by members of the Witwatersrand Native Labour Association and Contractors over the past few months was as follows:—

	Jan., 1928.	Feb., 1928.	Mar., 1928.	Apr., 1928.	May, 1928.	June, 1928.	July, 1928.	Aug., 1928.
Gold mines	195,063	197,340	199,489	199,820	198,461	197,186	194,584	194,788
Coal mines	16,720	16,696	16,343	16,870	16,695	16,533	16,724	16,767
Diamond mines ..	5,167	5,664	5,742	5,650	5,189	4,839	4,535	4,807
Total	216,950	219,700	221,574	222,540	220,345	218,558	215,843	216,362

The total number of natives employed in all branches shows an increase as compared with the previous month.

Overseas Correspondence.

UNITED STATES.—SHARE MARKETS—MONEY RATES — INDUSTRIAL PROSPERITY — POLITICS—MEXICO.

(FROM OUR CORRESPONDENT.)

NEW YORK, September 5.

DURING the past week Wall Street has continued to watch with interest the share and money markets. In the former additional strength has been manifest after the achievement of new high levels by the averages of industrial share values. The bull market has developed in typical fashion, with strength shifting from group to group and with the motors assuming their old position of leadership. During the past two weeks a greatly increased public participation has been apparent, while at the same time it has been evident that some of the big professional traders who adopted the bear side after the June break have been converted to the side of rising prices. A great deal of talk is heard to the effect that the risks are great, but this coincides with a belief that the market is likely to have a considerable further rise. A pushing into the background of fears over the money situation undoubtedly has contributed to current bullishness. Few expect any real easing in money before the end of the year, but most good observers now believe that the money situation will be stabilised on the present basis. The first ground for this belief was furnished a few weeks ago, when the Reserve banks went into the money market and bought bills in order to prevent a rise in the bill rate. There followed a rather ill-considered argument as to whether Federal Reserve policy had not been changed. The events of the subsequent period have strengthened the position of those who held that the authorities did not want higher interest rates at present there are very strong grounds for believing that they are correct. This does not mean that the authorities would not change their attitude if the absorption of credit reaches alarming proportions; but it does mean that they are satisfied with the results so far obtained. Lingerings doubts as to the money situation were dispelled toward the end of last week by a reduction of ½ of 1 per cent. in the rates fixed by bill dealers. The reduction was attributed to keen competition among the dealers and to a desire to obtain a share of the business that under the present rate structure has been going to London. Still, it is realised that the reduction would hardly have occurred if the Federal Reserve authorities still were pursuing a restrictive policy.

On all hands admissions now are heard to the effect that profits are turning out to be better than had been anticipated, and that they will continue to make favourable comparisons with last year during the rest of this one. It also has become clear that the 1927 recession in business terminated with the close of that year, and that an upswing started early this year which is still in force. Steel production, after setting a new high record for the first six months, now promises to achieve a further record for the third quarter. The automobile manufacturers, who have showered the market with new models, are rushing production schedules, and seem sure to do very well during September. The tradition of slower business in a presidential year seems in a fair way to being demolished.

Up to the present the country seems indisposed to take politics very seriously. There is a feeling that both candidates are "safe" men and that business has little to fear under either. This leaves the individual's decision to habitual party preference and to the strength of his ideas on prohibition.

A word may be added with regard to the new-issue market, which has been quiet for some months because of the indigestion that has existed in the bond market. There is talk of greater activity in the new-issue market now that the summer holidays are over, and some increase in activity doubtless will be seen. However, there are grounds for doubt as to whether the market is strong enough to resume operations on the scale of some months ago. Meanwhile the public appetite is for shares rather than for fixed-interest securities.

Developments in Mexico are considered gratifying. It is thought that the country showed a great deal of poise after the assassination of Obregon. President Calles' statesmanlike remarks to the new Congress may, it is believed, mark the beginning of a new phase in constitutional government south of our border. Meanwhile it is noted that excellent progress has been made during this year in placing the Government's finances on a firm basis, and great credit is given to the Secretary of the Treasury, Montes de Oca, and to President Calles for this progress. The foundations are being laid, it is believed, for real capacity to pay.

FRANCE.—EVACUATION—AVAILABLE CAPITAL—NOTE CIRCULATION—INDUSTRY—PRICES.

(FROM OUR CORRESPONDENT.)

PARIS, September 12.

JUDGING from the effect Herr Müller's effort at Geneva had on French opinion generally, the German statesmen have done more harm than good in renewing their demand for an earlier evacuation of the Rhineland than is provided for by the Versailles Treaty. The Nationalists here recall Germany's own action in 1871, in refusing to withdraw their occupying army until the indemnity had been paid to the last sou, and stigmatise the present German demand as impertinent, particularly as the suggestion put forward by M. Briand at Thoiry that France might consider withdrawal if Germany were prepared to offer some appreciable form of compensation, caused the request then made to be promptly dropped. What has particularly prejudiced the possible success of German aspirations in this direction, from the French point of view, is the fact that three German Ministers, Herren Müller, von Guérard, and Dr Curtius, in speeches made immediately before the Chancellor left Berlin for Geneva, all insisted on Germany's right to the withdrawal of the Allied troops. This is regarded as such clear proof of German sincerity that Herr Müller's effort has undoubtedly nullified much of the progress that has been made of

made to effect a reduction. The Federation of German Industries, for example, calculates that 63 per cent. of the profits of every enterprise has to be paid in taxes, and the Steel Association states that it contributes annually 7½ per cent. of its capital in taxation and 6½ per cent. in the form of social burdens.

The Bourse during the past week has been unusually quiet, though not depressed. A slight sensation was produced by the rise of Reichsbank shares, which seemed inexplicable, and led to active speculation. The buyers were mostly foreigners, and it was assumed that the belief had circulated that a higher dividend than 12 per cent. would be declared this year, or that present holders of shares would obtain some other special benefit in consequence of the flourishing position of the Bank. Dr Schacht's statement, however, that a higher dividend was unlikely, and that no change in the distribution of profits was probable brought quotations suddenly down to the former level, namely, about 302. This is in itself higher than expert financiers consider justifiable, and it has again risen to-day to 307. Dr. Schacht regrets extremely that the shares of the note-issuing bank should be dragged into the maelstrom of international speculation. Otherwise there has been activity only in special, favourite shares, such as those of electrical, potash, and artificial silk companies, and as far as the general public is concerned there is complete stagnation. Monsieur Briand's speech at Geneva depressed the Bourse considerably to-day, but it hardly affected the business, which was, indeed, too small to be affected. The Bourse looks forward to the debate on the evacuation of the Rhineland with very slight optimism, although it still hopes that the situation in Geneva will soon be cleared.

CANADA.—THE WESTERN CROP—THE PROBLEMS OF THE WHEAT POOLS—GENERAL BUSINESS CONDITIONS.

(FROM OUR CORRESPONDENT.)

OTTAWA, August 28.

THE western harvest is now in full swing under very favourable weather conditions, and in some districts a large proportion of the wheat is already cut. A week ago there was considerable anxiety about the menace of frost, and it undoubtedly did substantial damage in some areas, particularly in Saskatchewan, but the aggregate loss is reported not to be large. All reports agree that the yield of wheat is exceptionally heavy on the prairies, and it seems altogether probable that an estimate of 500 million bushels for the western wheat crop, which in itself would easily be a record, may be conservative. The harvest in the Eastern provinces is now well on the way to completion, and grain crops up to the average have been garnered.

The British miners, who were brought under a special scheme to help in the western harvest, were satisfactorily distributed to points where work at good wages was available, and, while there is a certain proportion of grumblers who are dissatisfied with conditions, most of them seem to have settled down to work contentedly. There is considerable criticism of the scheme in labour circles in Canada through an apprehension that the farmers, as soon as their harvest is safely garnered, will consider themselves divested of any responsibility for the future welfare of their miner employees, and will turn them adrift as soon as the snow begins to fly. As outdoor work will be hard to find, they may drift into the towns and glut the local labour market. It is doubtful, moreover, if Western Canada can in future years absorb any very large auxiliary stream of labour in harvest time, for the simple reason that new mechanical developments are tending to lessen the need for manual labour in the harvest fields. The new "combine" harvester machine, which reaps and threshes the grain in quick succession and obviates the necessity of stooking, is gaining rapidly in popularity on the Canadian prairies, and this autumn hundreds of them are operating there. It is true that in the more northerly regions certain disadvantages which are absent in southerly lines attach to its use, but it is obviously destined to displace the self-binder in many districts, and the tension of its advent will be to cause a further diminution of rural population.

The abnormal quantity of the western wheat crop will create problems for a number of individuals and interests. The banks will have to provide a larger sum of money than usual for the movement of the crop, and in order to assist them the Finance Department at Ottawa has announced that the rate on the special advances which are usually made to the banks at this period for the purpose of financing the crop will, instead of the 5 per cent. usually charged, only bear interest this year at 4½ per cent. The co-operative wheat pools are also faced with a serious problem. They fared very well during the last crop year, and out of a total western crop of some 440 million bushels they handled practically half. Until the end of June the pools secured a very satisfactory price for their members, and they have already made interim payments on the basis of \$1.46 for the grade No. 1 Northern at Fort William. As the result of the prospects of very abundant crops in Canada, the United States, and elsewhere, wheat prices have been tumbling steadily, and are now about 35 cents below the price paid out by the pool. But the pool is reputed to have in its control a carry-over from last year's crop amounting to about 20 million bushels, and the prospect is that it will have to be disposed of at the lower price. Now the contention of the organisers of the pools was that they could, by regulating the outflow of wheat, prevent any serious break in prices and keep them at a uniform and profitable level. The pools undoubtedly have regulated the outflow of the wheat which they control, but their enemies argue that in the past half-year their regulating operations have been detrimental to the farmer, because, after selling a fair quantity earlier in the year at satisfactory prices, they held back wheat in April, May, and June while the exporters of Australia and Argentina were busy selling their wheat as fast as possible at prices which remained good through the refusal of the Canadian pools to market their holdings. Now the slump in grain prices has arrived, and importers are refraining from heavy purchases in the confident expectation that they will get wheat cheaper at a later date.

Confronted with these conditions, the pools' executives must necessarily proceed with great caution, and they have just announced that for this crop year the initial pool payment will only be 85 cents per bushel on the No. 1 Northern basis. This represents a considerable drop from the initial payment of \$1 made a year ago, and the private grain interests will not be slow to take advantage of the situation to poison the agrarian mind against the pools. However, the pools have within the past year greatly strengthened their mechanical equipment and seem to have managed their business on sound lines, and their officials will doubtless try to demonstrate to the farmers that the slump in prices is solely attributable to an unwonted abundance of wheat the world over. Luckily for the pools their campaign for the renewal of contracts has been successful, and they have five years ahead of them to give convincing proof of the merits of their system.

Business conditions in Canada remain thoroughly sound, and the assurance of good crops makes the prospects for the autumn and winter very rosy. During the early weeks of August there was some recession in car-loadings indicating a lessened movement of merchandise, but there is no sign of any permanent setback. The banks put a severe curb upon stock market speculation in June and July, and have not completely removed it; but the restriction of credit has evidently not been applied to building operations, for the value of the permits issued in urban centres during July was estimated at some 25 million dollars, as compared with 22 million dollars in June, which usually has a much higher figure. Mill factories are well employed, but the output of steel showed a sharp decline in July, falling to 82,807 tons from the 116,530 tons of June, a drop of 29 per cent. The output of newsprint in July was also below the figure for any month since December; it amounted to 184,199 tons, as compared with 192,391 tons in June of 203,811 tons in May. This decline is attributed to the success of leaders of the industry in limiting the purpose of keeping up prices. But the paper industry is by no means out of the wood, as Premier Tascherreau of Quebec announced that Premier Tascherreau of Quebec and Ferguson of Ontario are to confer for the

evolving some scheme which will mitigate the evils of the present situation. The foreign trade returns for July were chiefly remarkable for the large expansion of exports, which were valued at 127 million dollars, as compared with 81 million dollars in July, 1927. This phenomenon is explicable from the fact that whereas wheat exports in July, 1927, were abnormally small—being only valued at some 10 million dollars—in July, 1928, they were abnormally large, with an estimated value of 42 million dollars. The exports of flour also showed a gain of 74 per cent. in quantity and 62 per cent. in value. Imports in July were also up, but only by 5 per cent.

NEW ZEALAND.—PARLIAMENT—PROPOSED NEW BANK—BANKING RETURNS—LOWER OVERDRAFT RATE.

THE final session of the present Parliament—there is to be an election towards the end of the year—opened about the end of June. Little interest was evoked by the usual no confidence amendment in reply to the Address. The debate was on stereotyped party lines, and dealt mainly with unemployment, immigration, and the administration of Samoa. The amendment was lost, as was anticipated, one member voting with the Labour Opposition against the Government. A Bill to promote a State-aided unemployment insurance scheme, introduced by a Labour member, has brought this question before the House, but it is unlikely to become law, as the statistical information available is altogether inadequate to provide a basis for insurance. The Budget for the financial year ending March 31, 1929, has not yet been introduced, but accounts already published show that revenue amounted to £25,123,980 for 1927-28, as compared with £24,943,107 for 1926-27, and expenditure to £24,944,903, compared with £24,355,965 in the previous year. There is thus a small surplus of £179,077, compared with £587,142 a year ago. Total revenue from taxation decreased from £17,427,827 in 1926-27 to £17,145,145 in 1927-28, or from £12 5s 6d to £11 17s 7d per head. With the exception of death duties, which increased by £200,000, revenue from all classes of taxation decreased, the chief reason being the relatively low level of business activity during the financial year.

Considerable interest has been manifested in a private Bill introduced to permit the establishment of "The London and New Zealand Bank, Limited." The Bill provides for the incorporation of the new bank, with nominal capital of £2,000,000, of which half must be subscribed before incorporation, as a bank of issue with limited liability. The note regulation proposed is on the lines of that already in force for the existing New Zealand banks—notes "issued and in circulation in New Zealand shall not at any time exceed the amount of coin, bullion, and public securities which shall for the time being be held by the bank within New Zealand, nor shall the proportion of coin be less than one-third," but such notes are to be payable in specie on demand, and the authorised issue may be exceeded on payment of a penalty of £100 per day. The shares are to be £1 each; the minimum share qualification for a director is 1,000 shares; and not more than seven directors are to be appointed.

The Bill has so far passed only its first reading, and little is known locally of the matter. Lobby reports consider it is likely to be passed, and it has been stated that the bank will not join the present "Associated Banks" group, which includes all the six banks already operating in the country, and will direct its activities largely towards the provision of better banking facilities for the primary industries. It is difficult to see how a new bank can be being strongly influenced by the Associated Banks, the latter are all long-established and strongly established; and in a small community like New Zealand, banks having over 500 branches, some general interest about credit policy, interest and exchange appears inevitable. The Associated Banks are accused of monopolistic practices, but there is keen competition between them in the provision of banking facilities, and little evidence of combined action beyond the necessary for the maintenance of a sound credit

The banks are now furnishing weekly returns of total debits to customers' accounts, inter-bank clearances, advances and discounts, specie reserves, fixed and current deposits, and notes in circulation. Most of these returns are similar to those published quarterly, but total debits and clearings are new, and they should provide valuable evidence regarding changes in trade activity. The more frequent publication of these items will also enable a closer watch to be kept on changes reflecting movements in business conditions.

In addition to the new weekly return the quarterly bank figures are being published as usual, and, as was anticipated, figures for the June quarter reflect the result of an improved trade balance and show a remarkable improvement in credit conditions. The following table compares deposits with advances and discounts in the June quarter of recent years:—

	(£ Millions.)			Excess	
June Quarter.	Deposits.	Advances.	Deposits.	Advances.	
1925	54.4	43.9	10.5	.....	..
1926	52.6	48.7	3.9	.....	..
1927	49.8	50.8	.....	1.0	.....
1928	54.9	45.4	9.5	.....	..

The figures show that, as far as credit conditions are concerned, the Dominion has now recovered from the depression which has marked the last two years, and that credit is again relatively abundant. As was expected, the improved position led to a reduction early in July of the bank's minimum rate on overdrafts from 7 per cent., where it has stood since May, 1927, to 6½ per cent., and the reduction has been welcomed by the business community, not only for the relief it affords, but as a stimulus to confidence and an indication that a return to normal prosperity is at hand. Some evidence of increasing business activity is also found in the expansion of other significant indicators, such as land and property transfers, &c., but the full effects are unlikely to be felt until after the winter, when the seasonal increase of activity in the big primary industries may be expected to absorb labour and increase demand.

CHINA.—EXPORTS AND IMPORTS—SMUGGLING—HOME TRADE.

(FROM OUR CORRESPONDENT.)

HONGKONG, August 10.

THE recently published Customs Statistics for 1927 provide plenty of scope for imagining what might have been achieved if China had enjoyed the blessings of civilised government. The total foreign trade amounted to 1,931,551,286 Haikwan taels, a decrease of 56,964,738 Hk. taels compared with 1926. The annual review of the Statistical Secretary is in the nature of a dirge, for there is scarcely a cheerful note to relieve the gloom. Trade was restricted at every turn, and the advantage of exceptionally good crops was lost by reason of hampered transport facilities and heavy legal imposts, which swelled the cost of production. The revenue collections totalled 68,735,128 Hk. taels, a decrease of 9,387,000 Hk. taels compared with 1926 and over 1 million Hk. taels less than in 1925. The report mentions that part of this heavy decrease was "caused by a diversion of trade routes to irregular channels in order to avoid the numerous surtaxes, thereby escaping all Customs control." From information gathered here, it appears that an increasing quantity of merchandise shipped to Hongkong for transshipment to the distributing ports of South China is being smuggled into the country without passing through the Customs. There always has been a heavy volume of illicit traffic carried on by the many thousands of river steamboat passengers who leave Hongkong daily, but when the anti-British boycott was instituted in 1925 quite a big organisation was developed for running cargo, chiefly by junk, through the boycott barrier. This organisation has probably been adapted to cope with the multiplication of provincial surtaxes, and as the latter increase a stimulus will be given to the business of smuggling. Hongkong being a free port, there is no difficulty about loading junks with cargo, which is to be smuggled into China, and the risk of seizure is confined to the port where there is a Chinese Maritime Customs station. In some cases evasion of examination is comparatively

simple, and, from all accounts, the traffic appears to be safe and profitable. The Customs statistics for Hongkong during the past three years are as follows:—

(In Haikwan Taels, 000's omitted.)			
	1925.	1926.	1927.
Imports from Hongkong	172,789	119,976	207,984
Exports to Hongkong	114,715	93,802	169,680

It will be seen that there has been a sharp recovery since the termination of the boycott in the autumn of 1926, and the figures are not far short of those for 1924, the year previous to the boycott. There has been an appreciable decrease in the imports into China from Great Britain, U.S.A., and Japan, which indicates that trade with South China has fully returned to its normal channel through Hongkong.

During the past month there has been little change in the various branches of local trade. An exceptionally hot and dry July has not encouraged dealers to exert themselves, and more attention has been paid to reducing old stocks rather than to placing new orders. In the piece-goods market there was a spasm of activity in connection with standard cotton broads, but the quantity brought to book is probably not much more than 25 per cent. of the normal demand, and the prices were unprofitable both to Manchester and to the Hongkong merchant. As the dealers have paid a price which they declare to be much above the present market level, there seems to be little advantage to anybody concerned.

Letters to the Editor.

INTERNATIONAL AND INDUSTRIAL CO-OPERATION.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The analogy that is drawn in the *Economist* this week in "A New Chapter in Industrial History" between the "Mond-Turner" project for setting up a National Industrial Conference and the function of the League of Nations in the promotion of international co-operation may or may not be a good one. Personally, I think it fails in a fundamental particular. I am not writing, however, to raise this question now, but a further question that is suggested by the comparison: Are the purposes of the Mond-Turner Conference compatible with that desirable international co-operation that the League of Nations exists to foster?

In the invitation that Lord Melchett (then Sir Alfred Mond) sent to the T.U.C. he declared one of the purposes of the discussions to be the "frank determination to increase the competitive power of British industries in the world's markets." This object appears to have met with the approval of the members of the T.U.C. General Council. Even Mr George Hicks, for instance, formerly found justification for the Conferences in the recognition that "we shall have to become rationalised in Great Britain; if not, we shall go out of effective competition" (*Manchester Guardian*, January 14, 1928). And Mr Ben Tillett has made a similar declaration in more flamboyant terms.

In its declaration on the subject of rationalisation, the joint conference has registered its endorsement of the pronouncements upon the subject of the World Economic Conference of last year, and thereby expressed approval of the view that the introduction of measures of rationalisation must not be accompanied by any worsening of workers' conditions, and that steps must be taken to ensure that the resulting economy of labour power does not result in the displacement of workers, with consequent unemployment.

If, however, rationalisation is to be undertaken as a means of intensifying international competition, can it do other than bring such results? The process of rationalisation cannot be confined to any one country, and any competitive advantage that may be derived from it can only be a temporary gain. Even if it is regarded, in the first place, as a means of cheapening production without worsening labour conditions, in the long run the race to increase the competitive power of the various competing countries can only react to the detriment of those employed in industry on the one hand, and on the other tend to undermine the work of the League of Nations by an endeavour to advance by means of a competitive scramble rather than by ordered international co-operation.—Yours faithfully,

J. ALLEN SKINNER.

Chelsea, September 12th, 1928.
The purposes of the Mond-Turner Conference and of so-called rationalisation are not incompatible. Rationalisation proceeding on parallel lines in all countries will mean more wealth and more security if trade is not artificially obstructed. In the long run there is no visible limit either to production or to trade. A

producing country may fall behind through inefficiency. But if it makes an effort and catches up with its most progressive competitors, it does not except perhaps at first take trade away from them, but by its own increased contribution adds to the total of world trade.—Ed. Econ.]

BOOKS RECEIVED.

Cartels, Combines, and Trusts in Post-War Germany. By Rudolf K. Michels. (New York) Columbia University Press. (London) P. S. King, Orchard House, Westminster. 14s.

The best work on this subject has hitherto been inaccessible to people unable to read German. This well-documented survey, intended primarily for American readers, sets forth concisely and with lucidity the essential facts relating to industrial combination in Germany, and examines in detail the law relating to them. Chapters are devoted to surveying special fields of industry.

Deutschland Unter dem Dawes-Plan. Von Prof. Max Lering. (Berlin and Leipzig) Walter de Gruyter and Co.

This German account of the origin and working of the Dawes Plan contains much more detailed fact and less polemic than the majority of works on the subject.

Memoirs of Prince Max of Baden. Authorised translation by W. M. Calder and C. W. H. Sulton. In two volumes. (London) Constable and Co., Limited, Orange street. 42s net.

Fitness for Work. By T. H. Pear. (London) University of London Press, Limited, 10 and 11 Warwick lane. 5s net.

The author of this very readable little book is Professor of Psychology in Manchester University. He raises the very timely question: "Is skill in industry worth while?"

The Battle of Behaviourism. By Dr. John B. Watson and Prof. W. McDougall. (London) Kegan, Paul, 68-74 Carter lane. 2s 6d net.

An "exposition" and an "exposure" of behaviourism, by a leading exponent and a leading opponent of the school.

The Notation of Movement. By Margaret Morris. (London) Kegan, Paul, 68-74 Carter lane. 2s 6d net.

Miss Morris has undertaken a most interesting piece of pioneering work. This booklet represents the first-fruits of an attempt to evolve a notation in which every possible movement of the body can be as exactly and intelligibly expressed as a note of music. If her plan succeeds, it will render possible a hitherto undreamed of permanence in the most ephemeral of the arts.

The Economic Journal. September, 1928. (London) Macmillan and Co., Limited, St. Martin's street. 6s net.

Contains articles on "The Instability of Capitalism," by Professor Schumpeter; "The Representative Firm," by Lionel Robbins; "The Indian Reserve Bank," by Professor Saunders; and "Business Forecasting," by Professor J. H. Jones.

Kyoto University Economic Review. July, 1928. (Tokyo) Maruzen Company, Limited.

This journal, which should be of value to everybody whose interest in economics is not confined to Europe and the New World, contains articles by Kyoto University professors, on "The Taxpayer"; "Changes of Social Classes During the Tokugawa Period"; "The Establishment and Maintenance of Peasant Farms," &c.

The Canada Year Book, 1927-28. Published by authority of the Hon. James Malcolm, M.P., Minister of Trade and Commerce, Ottawa. (London) Offices of High Commissioner for Canada, Trafalgar square.

An admirable and most exhaustive book of reference.
Calendar of the London School of Economics, 1928-29. London School of Economics, Houghton street, Aldwych, W.C. 2. 3s 6d.

OFFICIAL PUBLICATIONS RECEIVED.

The following may be obtained from H.M. Stationery Office, Adastral House, Kingsway, W.C. 2:—

National Debt: Return Showing (1) the Aggregate Gr Liabilities of the State at the close of each financial year from 1913-14 to 1927-28, and (2) the Gross Net Expenditure charged annually during that period against the Public Revenue on Account of the National Debt, &c. Cmd. 3170. 9d net.

The Sweden Year Book, 1928. (London) Swedingsö, 329 High Holborn.

A book of reference, with many of the features of a *Prosperity for England.* By Sir Charles Billinghurst published by the author.

A pamphlet advocating the Utopian policy of sufficiency with Government control of food prices.

The Stock Exchange.

THE ABUSE OF VOTING POWER.

In the *Economist* of July 7 last we discussed a number of the abuses liable to accompany the issue of deferred shares of low denomination carrying disproportionate voting rights and power to participate in surplus profits. We gave figures showing that, in the case of 48 issues made during the present year, the general public had put up 93 per cent. of the cash and obtained less than 22 per cent. of the equity; and that, if prospectus estimates of profits were realised, the public would obtain 21 per cent. on their investment of cash, while the vendors and their friends would obtain 46½ per cent. on their investment of cash and "considerations"—a disparity which would increase with every rise of profits.

A further danger of the small deferred share is the readiness with which it may be used for bringing about an inequitable division of voting power. Obviously, if a £1 participating preferred share and a 1s deferred share alike carry one vote, and the numbers of each outstanding are identical, interested parties obtain control at a relatively small financial sacrifice. The post-war experience of this and other European countries suggests that while it is desirable that no legal obstacle should be put in the way of amalgamations or fusions of interest which are part of a policy of "rationalisation," and likely to be of permanent benefit, shareholders have every right to demand protection from the attentions of would-be Napoleons of finance, to the extent at least that the latter, whatever their strategic plans, shall acquire a substantial financial interest in the undertaking they seek to control. Disproportionate division of voting power, whatever the means used to achieve it, reduces the *bona-fide* investor's assurance that he will be given a "fair deal," and the simultaneous agitation which has recently arisen against this feature in a number of European States is a testimony to the uneasiness occasioned by recent developments.

In France, in particular, the question of inequitable voting power has of late assumed particularly serious dimensions. The instrument by means of which the "unfair" distribution can most readily be effected is not, as in England, the deferred share of low denomination, but the "plural-vote" share. The issue of shares with plural votes was born, according to our Paris correspondent, of the cataclysmic drop in the franc two years ago, when large numbers of British, American, German, Belgian, and other foreign investors eagerly availed themselves of the opportunity of snapping up, at the cost of a very trifling amount of sound money, shares in many of the leading French banks and industrial concerns. The old pre-war fears of German infiltration into French finance and ultimate control, possibly, by German capital of the Bank of France itself rose to fever heat. The invention of plural-voting capital shares, available only to French nationals, was the result.

The restriction of ownership was in itself a legitimate object (though not necessarily a far-sighted one), and might be argued as being in harmony with the spirit of French company law, which requires a majority of French directors on the board as a condition precedent for registration. That the principle is not unknown in practice may be inferred from the recent decision of the General Electric Company to limit voting rights to citizens, and of Imperial Airways to restrict the issue of its shares solely to British subjects. The abuse of plural-voting, however, has gone far beyond the results intended by its inventors. Astute "insiders" have been prompt to realise its possibilities, and there is now a loud outcry against the widespread practice of making special issues of capital on this principle. In a single

week recently issues of plural votes included the following:—100,000 of 250f each by an electrical concern, the new shares having each five votes against one attaching to each of the older shares; 8,000 of 500f by one of the great collieries, giving one vote at ordinary meetings for every two older shares held and 20 votes per share at extraordinary meetings; 54,000 of 100f by another colliery company, giving 10 votes per new share at extraordinary meetings, against one vote per 30 old shares; and 10,000 of 500f, giving the holders five votes for each new share, against one for each of the old shares.

It is now beginning keenly to be realised in France that under the plural-vote share system it may be easy for boards of directors to usurp absolute control and entirely exclude the whole body of shareholders from any effective voice in a company's affairs. Cases have already occurred, in fact, in which boards of directors have manipulated issues of plural-vote shares in such a manner that they must inevitably pass entirely into their own possession, to the complete exclusion of the rest of the shareholders. The campaign against plural-voting is being led by no less an expert than M. Caillaux, who demands that the issue of such descriptions of capital shares shall be absolutely prohibited by law, "power being given to the Government, after consulting the *Conseil d'Etat*, to authorise the issue of plural-voting shares only when the national interest imperatively demands it." The Government has already introduced a Bill which, while it goes by no means as far as M. Caillaux urges, contains proposals to keep the abuse of the system within reasonable limits. The Bill, while recognising the legality of plural-vote shares, limits their rights to a number of votes per share not exceeding five times those attached to other shares of similar nominal value. It stipulates that plural-voting shares must be nominative, not negotiable on the Bourse, and unavailable for concerns having "sleeping partners." The Bill gives companies with plural-vote capital four years in which to revise their articles. As might be expected, objections have already been made that the proposals do not go far enough.

Dissatisfaction with the abuse of plural-voting shares is not confined to France. The Italian courts have petitioned that plural votes shall only be usable in special circumstances, i.e., in actions against directors, at meetings called by the Court, and in connection with resolutions for winding up, prolonging a company's legal existence, amalgamation, reduction or increase of capital, or changing the registered objects of the company. In Switzerland a movement is on foot in favour of the total prohibition of plural voting shares. In Germany measures of repression are also being discussed.

In England the plural-voting share, though perfectly legal, is not employed to any large extent. A similar result may be, however, and frequently is, obtained, as has been stated, by issue of "small" deferred shares. In the case of the 48 issues to which reference has been made, our investigation showed that the public, who subscribed over nine-tenths of the cash, obtained no more than 55 per cent. of the aggregate voting power. The "inside" interests, therefore, could have obtained absolute control by a relatively small extra expenditure. Indeed, the proportion already held would, in practice, be more than sufficient to give them such control, seeing that their own voting power was centralised, while that of the outside shareholders was scattered.

The above examples show that while the abuse of voting rights is a pressing problem in many countries, its prevention is anything but easy. Unscrupulous promoters, finding one approach closed to them, may be credited with sufficient ingenuity to discover others. The best means of checking this, and other abuses, in the long run, is the creation of strong public feeling towards the fostering of which the investor and his expert advisers may make a valuable joint contribution.

FOREIGN STOCK MARKETS.

II.—NEW YORK.

(BY OUR NEW YORK CORRESPONDENT.)

In view of the increasing interest in this country in the movement of securities on foreign bourses, we propose to survey the course of events in a few important centres in the last five years, and thereafter to keep readers continuously in touch with market movements in those centres. An article dealing with the Berlin Bourse appeared on page 439 of the "Economist" of September 8, 1928.

DURING the past five years the New York Stock Exchange has witnessed what has been termed, with a certain measure of justice, the "Coolidge bull market." Following the great deflation of 1920, the share market turned upward during the latter part of 1921, and by early in 1923 had recovered a large proportion of the loss suffered during the great post-war downswing. The upswing in industrial production that reached a peak in the spring of 1923 brought firmer money with it, the Federal Reserve Bank raising its discount rate from 4 to 4½ per cent. The recession in business activity was moderate in 1923, but gained momentum during the first half of 1924. Discount rates were then reduced progressively to 3 per cent.

This adoption of an "easy money" policy by the Reserve authorities, combined with the passing of the low point in the business recession, initiated the great "Coolidge" market, which continued, with minor interruptions, down to the present year. Starting from a level around 100, the common industrial stock index of the Standard Statistics Company (which is based on 197 industrial stocks and is weighted according to the number of shares of each outstanding) rose to around 150 early in 1926, to around 200 during the last half of 1927, and nearly to 250 during the first quarter of the present year. During this period consistent strength was displayed by the markets for fixed-interest securities. The Standard Statistics Company's index of 20 high-grade preferred stocks rose from around 114 in 1923 to about 133 early in 1928. It was apparent that the forces behind the great rise in security values included such factors as a consistent gain in earnings, a growing supply of investment capital, gold imports, and, possibly, a growing preference for shares as a form of investment.

The upward movement was not, of course, free from temporary reactions, among which that of March, 1926, particularly deserves notice. The upswing in industrial activity that began in 1924 continued strongly into 1926, and large demands for credit for commercial and speculative uses had developed. By the end of 1925 the Federal Reserve System was extending some \$1,400,000,000 of credit, and money rates had risen. Under these circumstances the Federal Reserve authorities raised their discount rates from 3½ to 4 per cent. early in 1926. As the spring demands for credit appeared toward the end of February, a squeeze in the money market developed which ran through March and which was attended by steady calling of loans and drastic liquidation on the Stock Exchange. On this break the averages for industrial shares fell by 15 or 20 points. The disturbance illustrated the Federal Reserve System's control over the market; but the dip proved to be a temporary one, and with the Bank rate reduced to 3½ per cent. by summer and industrial activity continuing at a good rate, the market started upward again on an advance that ran with little interruption until October, 1927.

The reaction that developed at that time, and which amounted to 5 or 10 points in the averages, differed materially from the break of March, 1926. The earlier setback coincided with a high level of industrial activity, and was caused by tight money. The decline of October, 1927, found the market declining of its own weight and with the face of easy money.

With the turn of the year the Federal Reserve authorities, possibly sensible of the criticisms that had been levelled against them for "overdoing" their easy-money policy, evidently decided that they would, now that the pressure on the foreign exchanges was past, take steps to secure the return of the money that they had placed in the market during the last half of 1927. Discount rates were advanced to 4 per cent. in January and, in February, some \$200,000,000 of Government securities

were sold during the earlier month. A small reaction during February apparently convinced the authorities that they had taken steps sufficient to remedy the situation, and sales of Government securities were suspended. Brokers' loans (as tabulated for New York City by the Federal Reserve Bank), which had risen by approximately \$1,000,000,000 to \$3,800,000,000 during 1927, had not been materially reduced, but the authorities apparently thought that the development of spring demands for credit would produce a squeeze in the money market and a break in stocks similar to that of March, 1926. Nothing of the sort developed. Perhaps because of signs of improved business, or perhaps because the bullish spirit had become too firmly established (and quite possibly because of a loss of respect for Federal Reserve operations), the share market ran up sharply during the spring, when the Standard Statistics Company's index of industrial shares reached a new peak of 246.5. Brokers' loans also soared, and established a new maximum at \$4,563,000,000 on June 6th. Spurred to further activity, the Federal Reserve authorities advanced the official rate to 4½ per cent. during May and June. The sale of Government securities on a large scale was also resumed, but the Reserve banks had lost control of the situation to the extent that rediscounting by member banks increased more rapidly than the Reserve banks could reduce their investments, so that by the middle of the year the total volume of credit being extended by the System had risen above the \$1,500,000,000 level, after having declined to the \$1,250,000,000 earlier in the year.

A reaction finally developed in the share market during June, amounting to about 15 or 20 points. Apparently hoping for a quick liquidation, the Reserve authorities advanced most of the regional discount rates to 5 per cent. during July. By July 25th brokers' loans had declined \$379,000,000 from the peak. Meanwhile, fixed-interest securities had slumped badly during the first six months of the year under the influence of dear money, and the bond and new issue markets were brought to a distinctly unsatisfactory condition. The market for Government securities had, naturally, suffered heavily from the Reserve banks' operations. Even in July the share market showed signs of being oversold, and talk began to be heard of the bond market being responsible for the congestion in brokers' loans. The discount rate advances of July gave a setback to tentative rallies, but did not provoke liquidation. On the contrary, shares gradually gathered strength, and at the moment of writing the averages have recovered about all that was lost during the June break.

The market is now gathering speculative momentum. Some of this latest buoyancy may be due to indications that the Federal Reserve authorities have modified their policy to the extent of stabilising the money market instead of letting it rise further. For the first time for months the Reserve banks have been buying bankers' bills in quantity in order to prevent a rise in the bill rate. This action has been taken as an indication that the authorities do not wish to increase their discount rates and that they are prepared to grant additional credit needed for autumn needs without further penalty in rates. It has been noted that this modification of policy has coincided with a weakness in the foreign exchanges that, if accentuated, might start a gold movement in this direction. No one can, of course, predict Reserve policy with any certainty. If speculative activity again became excessive, the authorities might decide that higher rates were essential, despite their possible effects on business and the foreign exchanges. Probably they hope that speculation will stay within such bounds as will permit the maintenance of present rates.

Meanwhile, it is apparent that the upward cycle of business that began this year is continuing strongly, that profits of industrial enterprises are at new high levels. Railroad earnings, after being adversely affected by the year's decline in traffic, are comparing favourably with the results of a year ago. Public utility earnings are excellent. The investor's preference for common stocks against fixed-interest stocks, also continued, and caution occasioned by the June break evidently did not penetrate very deeply. The only apparent curb on the bull movement appears to be the money situation. Before closing this review, mention should be made of the fact that the market for industrial shares, after a period of relative stability, has been characterized by a sharp decline in the last few days. This is due to the fact that the Federal Reserve Bank has raised its discount rate to 4½ per cent. and has also sold \$200,000,000 of Government securities.

the great diversity which has long existed between different groups of stock, and even between different stocks in the same group. The country has experienced a "selective" prosperity, and its shares have reflected this situation. Among the industries whose securities have done better than the average are the automobile, electrical, chain store and mail order, food, and public utility trades. Among those below the average are the coal, oil, paper, shipping, textile, rubber and tyre, sugar, leather and shoe, and, to a lesser extent, the steel and metals trades. This differentiation seems likely to continue.

THE WEEK IN THE MARKETS.

SETTLING DAYS.

TICKET.

September 25.

ACCOUNT.

September 27.

BUSINESS was no more than moderately active, though a cheerful tone was evident. In the majority of cases price changes were contained within narrow compass, but a number of individual stocks came in for special attention—largely of a professional character—and displayed considerable activity. Investment demand, though continuing in evidence, was a less prominent feature than last week. Events in New York were again watched with keen interest, observers here being somewhat distrustful of the extraordinary activity prevailing in that centre, which certainly had no parallel in London, where such upward tendencies as manifested themselves were far more moderate and selective in character.

The tone in the gilt-edged market was subdued, with dealings on a restricted scale. Conditions in the money market were not at all easy. The Bank of England's receipt of £500,000 from South Africa was offset, later in the week, by the withdrawal of a like amount for Canada, the Bank obtaining none of the week's offering of "new" metal. The New York exchange further weakened, and remained below the gold point. Five per cent. War Loan and 3½ per cent. Conversion Loan were inclined to harden at the beginning of the week, but easier conditions later became general. A moderate business was done in India stocks. Colonial issues were without special feature.

In the foreign market investment demand was in evidence for the new Chilean 6 per cent., after the inevitable sales by "stags." Brazilian bonds were quiet, but Peru Corporation continued to attract interest. A moderate business was done in European issues and among Far Eastern stocks, Chinese displayed a hardening tendency.

Home Rails were dull and dispirited, the week's unfavourable traffic figures producing the too familiar signs of public apathy which the recent publication of measures for combating road competition had tended temporarily to dispel. London, Midland and Scottish were most, and Southern least affected by selling, which, while by no means large, was sufficient to cause indubitable sagging in prices. The London lines, as before, remained a law to themselves, being firm on increased traffic receipts. The Argentine railway dividends were in accordance with expectation, but their maintenance at last year's levels was sufficient to introduce an air of cheerfulness into the market. Among other companies, San Paulo further recovered from its recent setback, and United of Havana was firm.

A fair amount of business was done in the industrial markets, but professional dealings played no little part, and the demand was for specially favoured shares rather than the general body of securities. Gramophone shares were again a centre of interest. American selling was chiefly responsible for an early decline in Columbia and Victor, but a stronger tone ensued. British Brunswicks ere in demand owing to rumours of a profitable contract with the Co-operative Wholesale Society. Shares of low valuation, however, came in for particular attention. The artificial silk group was still under the influence of production fears, but the general tendency was upward. Match shares were very active, rumours being spread of a coming bonus distribution by Swedish matches. Speculative attention was again given to the leather companies, though chief interest shifted to American to Imperial Tobacco. Breweries were in the picture. Iron and steel shares were quiet. Babcock and Wilcox being sought for investment.

ACTIVE SECURITIES.

The following tables show the movements of the week in the more active securities of the various markets:—

British and Colonial Government Securities.

	Closing Price Sept. 6, 1928.	Change	Closing Price Sept. 13, 1928.	Change
Conv. Loan 3½%	77½	+	77½	+
Do 4½% 1944	99½	+	99½	+
War Loan 5% 1929-47 102½ ..	102½	+	102½	+
Do 4% (tax free)	101½	+	101½	+
Consols 2½%	56½	+	56½	+
Do 4%	90½	+	90½	+
Funding 5%	94	+	94	+
Victory Bonds 4%	94	+	94	+
War Bonds 5% 1929-105 ..	105	+	105	+
Local Loans 3%	64½	+	64½	+
Treasury 5% (B)	101½	+	101½	+
Palestine 5% 1942-67 105 ..	105	+	105	+
S. Africa 5% 1945-75 104 ..	104	+	104	+
Canada 3½% 1930-50	71½	+	71½	+
India 5%	71½	+	71½	+
Australia 5% 1945-75 98 ..	98	+	98	+
N.S. Wales 5% 1942-52 101 ..	101	+	101	+
N. Zealand 5% 1946	104	+	104	+
Victoria 5% 1930-40	100½	+	100½	+
Nigeria 6% 1949-79	113	+	113	+

Foreign Government Securities.

	Closing Price Sept. 6, 1928.	Change	Closing Price Sept. 13, 1928.	Change
Japanese 6% (1924)	93½	+	93½	+
Tokyo City 5½%	91½	+	91½	+
Argentine 4% Recios	87	+	87	+
Austrian 5% 1923-43	102½	+	102½	+
Belgian 7%	110	+	110	+
Brazil 5% Funding	86½	+	86½	+
Bulgaria 7%	88½	+	88½	+
China 5% (1912)	45½	+	45½	+
Egypt Unified 4%	87½	+	87½	+
Estonia 7% 1927	95	+	95	+
Finland 6% 1923	93½	+	93½	+
French 5%	182½	+	182½	+
Do 4% (Brit.)	16	+	16	+
German 7%	107½	+	107½	+
Greek 7% Refugee	102½	+	102½	+
Hungary 7½%	102	+	102	+
Chili 6%	70	+	70	+
Italian 5% (Marm.)	101½	+	101½	+
P.L.M. 6%	101½	+	101½	+
Poland 7%	94	+	94	+
Mexican 5% (1899)	41	+	41	+
S. Paulo Coffee 7½%	104	+	104	+

British and Foreign Railways.

	Closing Price Sept. 6, 1928.	Change	Closing Price Sept. 13, 1928.	Change
G. Western Ord. Stk.	87½	+	87½	+
L.N.E. Def. Stk.	124	+	124	+
Do 5% Pref. Stk.	27½	+	27½	+
L.M.S. Ord. Stk.	51½	+	51½	+
Metropol. Cons. Stk.	66½	+	66½	+
Met. District Ord. Stk.	32½	+	32½	+
Southern Def. Stk.	72½	+	72½	+
Do Pref. Ord. Stk.	72	+	72	+
Underground Ord. Stk.	18	+	18	+
Do Income Bonds	129½	+	129½	+
Antofagasta Ord. Stk.	91½	+	91½	+
B.A. & Pacific Ord. Stk.	95	+	95	+
B.A. & O. Ord. Stk.	102½	+	102½	+
B.A. & W. Ord. Stk.	89½	+	89½	+
Can. Pacific Cons. Stk.	220	+	220	+
C. Argentine Ord. Stk.	95½	+	95½	+
Entre Rios Ord. Stk.	88½	+	88½	+
Leopoldina Ord. Stk.	61½	+	61½	+
Mexican Rly. Ord. Stk.	73½	+	73½	+
Utd. Havana Ord. Stk.	52	+	52	+

	Closing Price Sept. 6, 1928.	Change	Closing Price Sept. 13, 1928.	Change
Bank of England Stk.	261	+	261	+
Barclays B. (L)	218	+	218	+
Barclays Dom. Col.	17	+	17	+
Lloyds £5, with £1 pd.	34½	+	34½	+
Martins £1	32	+	32	+
Mid. £12, with £2 pd.	9½	+	9½	+
Do £2½, fully paid	92	+	92	+
Midland £1, fully paid	312	+	312	+
Nat. Prov. £20, with £4 paid	147½	+	147½	+
Horwk. and S. (£125) 138 ..	138	+	138	+
Standard of S. Africa £20, with £5 paid	15½	+	15½	+
Westminster £20, with £5 paid	20½	+	20½	+

	Closing Price Sept. 6, 1928.	Change	Closing Price Sept. 13, 1928.	Change
Alliance £1, fully paid	23	+	23	+
Cur. Un. £2½, fully paid	30½	+	30½	+
London & Lancs. £5, with £1 paid	33½	+	33½	+
N. British and Mer. £5, with £1 paid	39½	+	39½	+
Royal Ex. £1, fully paid	7	+	7	+
Roy. In. £1, with 10/pd.	9½	+	9½	+

	Closing Price Sept. 6, 1928.	Change	Closing Price Sept. 13, 1928.	Change
Babcock, Wilcox (£1)	3½	+	3½	+
Baldwin (£1)	1½	+	1½	+
Bengal Iron (£1)	1½	+	1½	+
Bolekov Vagh (£1)	1½	+	1½	+
Dorman, Long (£1)	1½	+	1½	+
Ebbw Vale (£1)	2½	+	2½	+
Guest, Keen (£1)	2½	+	2½	+
Powell, Duffryn (£1)	1½	+	1½	+
Swan, Hunter (£1)	1½	+	1½	+
Vickers (6/8)	8	+	8	+

	Closing Price Sept. 6, 1928.	Change	Closing Price Sept. 13, 1928.	Change
Bradford Dyers (£1)	2½	+	2½	+
Brit. Celanese Ord. (10)	3½	+	3½	+
Do Pref. (£1)	4½	+	4½	+
Coats, J. and P. (£1)	3½	+	3½	+
Courtaulds (£1)	4½	+	4½	+
Fine Cut Spinn. (£1)	2½	+	2½	+
Listers (£1)	1½	+	1½	+
Snia Viscosa (200 lire)	1½	+	1½	+

	Closing Price Sept. 6, 1928.	Change	Closing Price Sept. 13, 1928.	Change
British Insulated (£1)	4½	+	4½	+
English Electric (£1)	4½	+	4½	+
General Electric (£1)	2½	+	2½	+
Johnson & Phillips (£1)	1½	+	1½	+
Metro-Vickers (£1)	1½	+	1½	+
Siemens (£1)	1½	+	1½	+

	Closing Price Sept. 6, 1928.	Change	Closing Price Sept. 13, 1928.	Change
Brenth & Poole (£1)	3½	+	3½	+
City of London (£1)	1½	+	1½	+
Midland Counties (£1)	1½	+	1½	+
Launceston (£1)	1½	+	1½	+
N'w'st-on-Tyne (£1)	1½	+	1½	+
Yorkshire (£1)	1½	+	1½	+

	Closing Price Sept. 6, 1928.	Change	Closing Price Sept. 13, 1928.	Change
Eastern Stk.	247½	+	247½	+
Eastern Exten. (£10)	25	+	25	+
Western (£10)	24½	+	24½	+
Marconi (10)	3½	+	3½	+
Marconi Marine (£1)	2½	+	2½	+
U. River Plate (£5)	9½	+	9½	+

	Closing Price Sept. 6, 1928.	Change	Closing Price Sept. 13, 1928.	Change
Austin, 20's	1½	+	1½	+
Dennis (£1)	3½	+	3½	+
Leyland (£1)	1½	+	1½	+
Morris 7½% C.M. Pl. (£1) ..	1½	+	1½	+
Napier (£1)	2½	+	2½	+
Singer (£1)	2½	+	2½	+

	Closing Price Sept. 6, 1928.	Change	Closing Price Sept. 13, 1928.	Change
Cunard (£1)	12	+	12	+
Furness Withy (£1)	13½	+	13½	+
P. & O. Def. Stk.	247½	+	247½	+
Royal Mail Ord. Stk. 74 ..	75	+	75	+

	Closing Price Sept. 6, 1928.	Change	Closing Price Sept. 13, 1928.	Change
Assoc. P. Cement (£1)	1½	+	1½	+
Barker (John) (£1)	3½	+	3½	+
Braz. Traction, no par	60½	+	60½	+
Brit. Am. Tobacco (£1)	6½	+	6½	+
British Match (£1)	1½	+	1½	+
Carreras, "A" Ord. (£1)	18½	+	18½	+
Columbia Graph. (10)	15½	+	15½	+
Dunlop (6/8)	13½	+	13½	+
Duphone (10)	13½	+	13½	+
Forestal Land (£1)	13	+	13	+
Gas Light & Coke (£1)	1	+	1	+
Gramophone Co. (£1)	13½	+	13½	+
Harrods (£1)	3½	+	3½	+
Hudson's Bay (£1)	6½	+	6½	+
Imp. Chemical (£1)	2½	+	2½	+

Gramophone Co. (£1) 138	128	+	Vocalion (10) 3	3	+
Harrods (£1) 363	35	+	Wallpaper, Def. (£1) 1	1	+
Hudson's Bay (£1) 64	61	+	Watney Combe & St. 329	340	+
Imp. Chemical (£1) 23	21	+	Wm. Cery (£1) 3	3	+

Tea and Rubber.		
Asiatic (20) 3	3	+

